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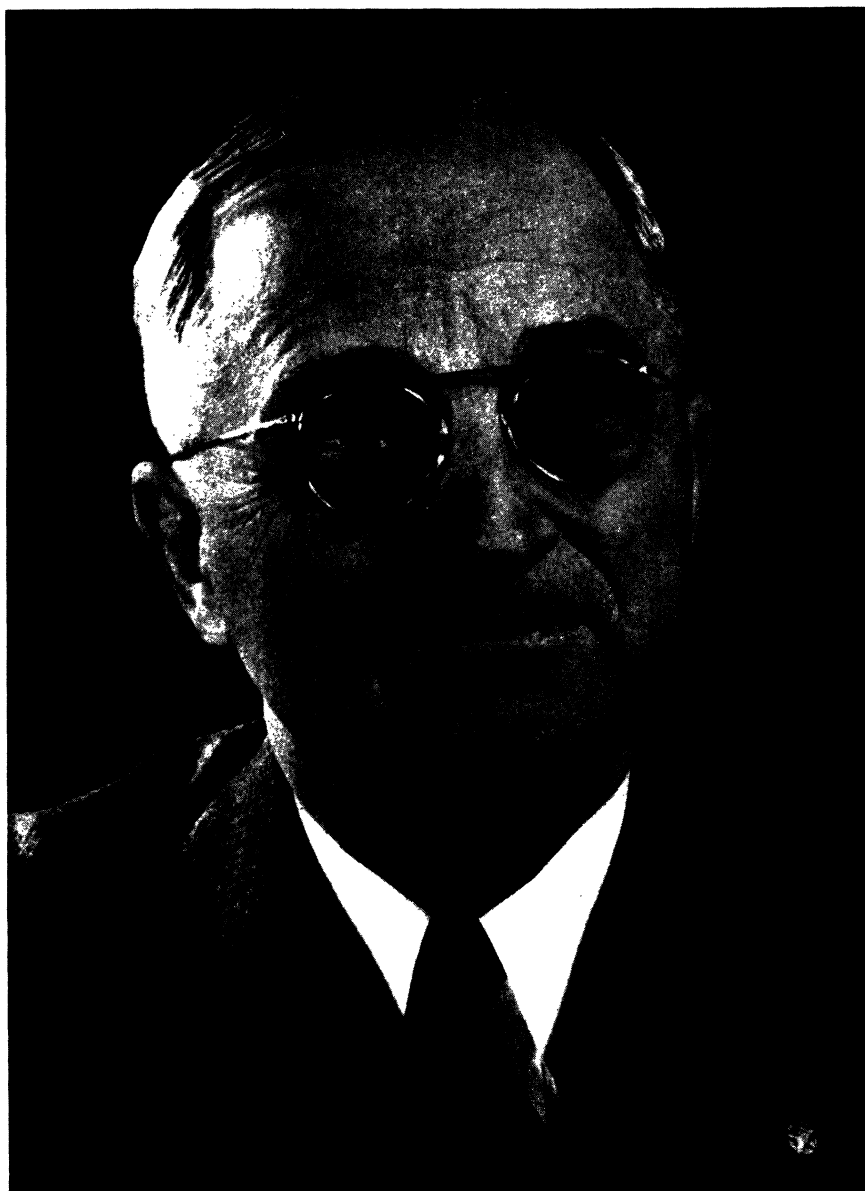
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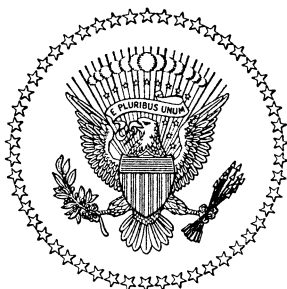
PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES

Harry S. Truman

*Containing the Public Messages, Speeches, and
Statements of the President*

JANUARY 1 TO DECEMBER 31, 1950

1950



UNITED STATES GOVERNMENT PRINTING OFFICE

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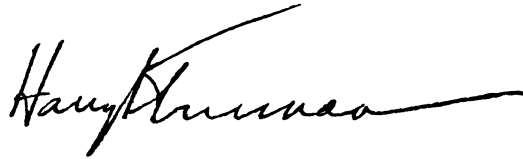
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FOREWORD

THE IMPORTANCE OF this series lies in the extraordinary character of the office of President of the United States.

A President's written and spoken words can command national and international attention if he has within him the power to attract and hold that attention. It is partly through the use of this power that leadership arises, events are molded, and administrations take their shape.

It is this power, quite as much as powers written into the Constitution, that gives to the papers of Presidents their peculiar and revealing importance.

A handwritten signature in black ink, which appears to read "Harry Truman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the 33d President of the United States that were released by the White House during 1950. Similar volumes are available covering 1945–1949, and the administrations of Presidents Eisenhower and Kennedy. Volumes covering the period January 1, 1951–January 20, 1953, and the period November 22, 1963–December 31, 1964, are under preparation.

This series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since that time various private compilations were issued, but there was no uniform, systematic publication comparable to the *Congressional Record* or the *United States Supreme Court Reports*. Many Presidential papers could be found only in mimeographed White House releases or as reported in the press. The National Historical Publications Commission therefore recommended the establishment of an official series in which Presidential writings and utterances of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 306). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted at page 786 as "Appendix D."

Preface

CONTENT AND ARRANGEMENT

The text of this book is based on Presidential materials issued during 1950 as White House releases and on transcripts of news conferences. A list of White House releases from which final selections were made is published at page 765 as "Appendix A."

The full text of President Truman's news conferences is here published for the first time, since direct quotation of the President's replies usually was not authorized. Addresses and speeches have been printed as actually delivered.

Proclamations, Executive orders, and similar documents required by law to be published in the *Federal Register* and *Code of Federal Regulations* are not repeated. Instead, they are listed by number and subject under the heading "Appendix B" at page 778.

The President is required by statute to transmit numerous reports to Congress. Those transmitted during the period covered by this volume are listed at page 785 as "Appendix C."

The items published in this volume are presented in chronological order, rather than being grouped in classes. Most needs for a classified arrangement are met by the subject index. For example, a reader interested in veto messages will find them listed in the index under the heading "veto messages."

The dates shown at the end of item headings are White House release dates. In instances where the date of the document differs from the release date that fact is shown in brackets immediately following the heading. Other editorial devices, such as text notes, footnotes, and cross references, have been supplied where needed for purposes of clarity.

Remarks or addresses were delivered in Washington, D.C., unless

Preface

otherwise indicated. Similarly, statements, messages, and letters were issued from the White House in Washington unless otherwise indicated.

Original source materials, where available, have been used to protect against substantive errors in transcription. In maintaining the integrity of the text, valuable assistance was furnished by Dr. Philip C. Brooks, Philip D. Lagerquist, and Jerry N. Hess of the Truman Library.

The planning and publication of this series is under the direction of David C. Eberhart of the Office of the Federal Register. The editor of the present volume was Warren R. Reid, assisted by Mildred B. Berry. Frank H. Mortimer of the Government Printing Office developed the typography and design.

WAYNE C. GROVER

Archivist of the United States

LAWSON B. KNOTT, JR.

Administrator of General Services

June 15, 1965

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Harry S. Truman

1950

1 Letter to the Chairman of the President's Water Resources
Policy Commission. *January 3, 1950*

Dear Mr. Cooke:

For more than a century, the Federal Government has played a vital role in harnessing our water resources and converting them to the beneficial and productive use of the Nation.

Over this period our water resources policies have been constantly modified and adjusted to meet the emerging needs of our complex and dynamic society. It has not always been possible, however, to decide individual changes in policy in the light of broad national objectives. Frequently, new policies which have been developed to meet specific situations or to solve particular social and economic needs existing at the time have produced inconsistencies in our national water resources policies.

Within the past several years the need for careful review and reappraisal of our national water resources policies and related land use problems has become increasingly apparent. On several occasions, during the recent session of Congress, I called attention to the need for developing a consistent and comprehensive policy with regard to our whole water resources program. In many cases, piece-meal or partial approaches to a problem as broad as water resources development tend to confuse, rather than clarify, many of the basic, underlying issues. It is essential in my judgment that a comprehensive study and review be made of all existing water resources legislation and policies and that recommendations be made in the full knowledge of national needs and objectives.

Therefore, I am creating by Executive order a temporary Water Resources Policy Commission of seven members to study and to make recommendations to me on the pol-

icies which should be followed by the Federal Government in fulfilling its proper responsibilities for the development, conservation and use of the Nation's water resources.

I am asking you to serve as chairman of this Commission. Because of the need for early action in the field of water resources development, I am requesting the Commission to submit its final report to me not later than December 1, 1950.

In asking you and your fellow members of the Commission to undertake this highly difficult assignment, I cannot stress its importance too greatly.

The Federal Government already has a substantial investment in existing water resources improvements; in recent years we have been adding to this investment at a rate of more than \$1 billion annually. These facts alone make it imperative that individual projects be properly related to the total water resources program, that they be undertaken in logical and orderly sequence and that they be scheduled to conform to fiscal and other national considerations. It is even more important, however, that the policies underlying these programs be soundly conceived in terms of national needs and objectives and that they are adopted in the light of our goal of a stable and expanding national economy.

While the number of individual issues in the water resources field is large, I hope that the Commission will devote its attention to major areas of immediate importance and to those special aspects of resource development programs which have a major immediate effect on the well-being and proper functioning of the Nation's economy.

The Executive order establishing the

Water Resources Policy Commission states that the Commission shall give consideration in particular to (a) the extent and character of Federal Government participation in major water resources programs, (b) an appraisal of the priority of water resources programs from the standpoint of economic and social need, (c) criteria and standards for evaluating the feasibility of such projects, and (d) desirable legislation or changes in existing legislation.

These all represent areas in which there is pressing need for clarification of our national policies and responsibilities.

In requesting the Commission to undertake this highly difficult and important assignment, I recognize that it will not be possible to formulate recommendations on all of the current issues before us in time for consideration in the forthcoming session of the Congress; however, much basic work has already been done within the Government and elsewhere with respect to many issues involved in our water resources program. It is my hope, therefore, that it will be possible for the Commission to submit interim recommendations to me on some of the more urgent issues which have been raised in order that specific proposals can be submitted to the Congress in time for action this year.

As you know, the Commission on the Organization of the Executive Branch of the Government has made a detailed and comprehensive study of the organizational issues involved in the water resources field.

The proper allocation of functions among agencies, the means for coordinating their efforts and the merits of various alternatives for coordination of river basin development programs are now under active consideration in the Executive Branch. I have already made certain recommendations to the Congress in these areas and expect to transmit others during the coming months. While problems of organization are closely related to the development of consistent policies in the field of water resources, I am requesting your Commission to confine its recommendations to the questions of policy set forth in the Executive order together with related legislation.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Morris L. Cooke, St. Georges Road, Mt. Airy P.O., Philadelphia 19, Pennsylvania.]

NOTE: The President's Water Resources Policy Commission was established by Executive Order 10095 of January 3, 1950 (3 CFR, 1949-1953 Comp., p. 291).

On the same day the President appointed the following members: Morris L. Cooke, engineer, Philadelphia, Pa., chairman; R. R. Renne, president, Montana State College; Lewis W. Jones, president, University of Arkansas; Gilbert White, president, Haverford College; Samuel B. Morris, Department of Water and Power, Los Angeles, Calif.; Paul S. Burgess, dean, College of Agriculture, University of Arizona; and Leland D. Olds, New York City.

The Commission's report was contained in three volumes. Volume 1, entitled "A Water Policy for the American People (General Report)," was submitted to the President on December 11, 1950 (see Item 306).

2 Annual Message to the Congress on the State of the Union.

January 4, 1950

[As delivered in person before a joint session]

Mr. President, Mr. Speaker, Members of the Congress:

A year ago I reported to this Congress that the state of the Union was good. I am

happy to be able to report to you today that the state of the Union continues to be good. Our Republic continues to increase in the enjoyment of freedom within its borders,

and to offer strength and encouragement to all those who love freedom throughout the world.

During the past year we have made notable progress in strengthening the foundations of peace and freedom, abroad and at home.

We have taken important steps in securing the North Atlantic community against aggression. We have continued our successful support of European recovery. We have returned to our established policy of expanding international trade through reciprocal agreement. We have strengthened our support of the United Nations.

While great problems still confront us, the greatest danger has receded—the possibility which faced us 3 years ago that most of Europe and the Mediterranean area might collapse under totalitarian pressure. Today, the free peoples of the world have new vigor and new hope for the cause of peace.

In our domestic affairs, we have made notable advances toward broader opportunity and a better life for all our citizens.

We have met and reversed the first significant downturn in economic activity since the war. In accomplishing this, Government programs for maintaining employment and purchasing power have been of tremendous benefit. As the result of these programs, and the wisdom and good judgment of our businessmen and workers, major readjustments have been made without widespread suffering.

During the past year, we have also made a good start in providing housing for low-income groups; we have raised minimum wages; we have gone forward with the development of our natural resources; we have given a greater assurance of stability to the farmer; and we have improved the organization and efficiency of our Government.

Today, by the grace of God, we stand a free and prosperous nation with greater possibilities for the future than any people ever

had before in the history of the world.

We are now, in this year of 1950, nearing the midpoint of the 20th century.

The first half of this century will be known as the most turbulent and eventful period in recorded history. The swift pace of events promises to make the next 50 years decisive in the history of man on this planet.

The scientific and industrial revolution which began two centuries ago has, in the last 50 years, caught up the peoples of the globe in a common destiny. Two world-shattering wars have proved that no corner of the earth can be isolated from the affairs of mankind.

The human race has reached a turning point. Man has opened the secrets of nature and mastered new powers. If he uses them wisely, he can reach new heights of civilization. If he uses them foolishly, they may destroy him.

Man must create the moral and legal framework for the world which will insure that his new powers are used for good and not for evil. In shaping the outcome, the people of the United States will play a leading role.

Among all the great changes that have occurred in the last 50 years, none is more important than the change in the position of the United States in world affairs. Fifty years ago we were a country devoted largely to our own internal affairs. Our industry was growing, and we had new interests in the Far East and in the Caribbean, but we were primarily concerned with the development of vast areas of our own continental territory.

Today, our population has doubled. Our national production has risen from about \$50 billion, in terms of today's prices, to the staggering figure of \$255 billion a year. We have a more productive economic system and a greater industrial potential than any other nation on the globe. Our standard of living

is an inspiration for all other peoples. Even the slightest changes in our economic and social life have their effect on other countries all around the world.

Our tremendous strength has brought with it tremendous responsibilities. We have moved from the outer edge to the center of world affairs. Other nations look to us for a wise exercise of our economic and military strength, and for vigorous support of the ideals of representative government and a free society. We will not fail them.

Our objective in the world is peace. Our country has joined with others in the task of achieving peace. We know now that this is not an easy task, or a short one. But we are determined to see it through. Both of our great political parties are committed to working together—and I am sure they will continue to work together—to achieve this end. We are prepared to devote our energy and our resources to this task, because we know that our own security and the future of mankind are at stake.

Right here, I want to say that no one appreciates more than I the bipartisan cooperation in foreign affairs which has been enjoyed by this administration.

Our success in working with other nations to achieve peace depends largely on what we do at home. We must preserve our national strength. Strength is not simply a matter of arms and force. It is a matter of economic growth, and social health, and vigorous institutions, public and private. We can achieve peace only if we maintain our productive energy, our democratic institutions, and our firm belief in individual freedom.

Our surest guide in the days that lie ahead will be the spirit in which this great Republic was founded. We must make our decisions in the conviction that all men are created equal, that they are equally entitled to life, liberty, and the pursuit of

happiness, and that the duty of government is to serve these ends.

This country of ours has experienced many blessings, but none greater than its dedication to these principles. At every point in our history, these ideals have served to correct our failures and shortcomings, to spur us on to greater efforts, and to keep clearly before us the primary purpose of our existence as a nation. They have enshrined for us, a principle of government, the moral imperative to do justice, and the divine command to men to love one another.

These principles give meaning to all that we do.

In foreign policy, they mean that we can never be tolerant of oppression or tyranny. They mean that we must throw our weight on the side of greater freedom and a better life for all peoples. These principles confirm us in carrying out the specific programs for peace which we have already begun.

We shall continue to give our wholehearted support to the United Nations. We believe that this organization can ultimately provide the framework of international law and morality without which mankind cannot survive. It has already set up new standards for the conduct of nations in the Declaration of Human Rights and the Convention on Genocide. It is moving ahead to give meaning to the concept of world brotherhood through a wide variety of cultural, economic, and technical activities.

The events of the past year again showed the value of the United Nations in bringing about the peaceful adjustment of tense international controversies. In Indonesia and in Palestine the efforts of the United Nations have put a stop to bloodshed and paved the way to peaceful settlements.

We are working toward the time when the United Nations will control weapons of mass destruction and will have the forces to preserve international law and order. While

the world remains unsettled, however, and as long as our own security and the security of the free world require, we will maintain a strong and well-balanced defense organization. The Selective Service System is an essential part of our defense plans, and it must be continued.

Under the principles of the United Nations Charter we must continue to share in the common defense of free nations against aggression. At the last session this Congress laid the basis for this joint effort. We now must put into effect the common defense plans that are being worked out.

We shall continue our efforts for world economic recovery, because world prosperity is the only sure foundation of a permanent peace.

As an immediate means to this end we must continue our support of the European recovery program. This program has achieved great success in the first 2 years of its operation, but it has not yet been completed. If we were to stop this program now, or cripple it, just because it is succeeding, we should be doing exactly what the enemies of democracy want us to do. We should be just as foolish as a man who, for reasons of false economy, failed to put a roof on his house after building the foundation and the walls.

World prosperity also requires that we do all we can to expand world trade. As a major step in this direction we should promptly join the International Trade Organization. The purpose of this organization, which the United States has been foremost in creating, is to establish a code of fair practice, and an international authority for adjusting differences in international commercial relations. It is an effort to prevent the kind of anarchy and irresponsibility in world trade which did so much to bring about the world depression of the 1930's.

An expanding world economy requires the

improvement of living standards and the development of resources in areas where human poverty and misery now prevail. Without such improvement the recovery of Europe and the future of our own economy will not be secure. I urge that the Congress adopt the legislation now before it to provide for increasing the flow of technical assistance and capital investment in underdeveloped regions.

It is more essential now than ever, if the ideals of freedom and representative government are to prevail in these areas, and particularly in the Far East, that their peoples experience, in their own lives, the benefits of scientific and economic advances. This program will require the movement of large amounts of capital from the industrial nations, and particularly from the United States, to productive uses in the underdeveloped areas of the world. Recent world events make prompt action imperative.

This program is in the interest of all peoples—and has nothing in common with either the old imperialism of the last century or the new imperialism of the Communists.

Our aim for a peaceful, democratic world of free peoples will be achieved in the long run, not by force of arms, but by an appeal to the minds and hearts of men. If the peace policy of the democratic nations is to be successful, they must demonstrate that the benefits of their way of life can be increased and extended to all nations and all races.

In the world today we are confronted with the danger that the rising demand of people everywhere for freedom and a better life may be corrupted and betrayed by the false promises of communism. In its ruthless struggle for power, communism seizes upon our imperfections, and takes advantage of the delays and setbacks which the democratic nations experience in their effort to secure a better life for their citizens. This chal-

lenge to us is more than a military challenge. It is a challenge to the honesty of our profession of the democratic faith; it is a challenge to the efficiency and stability of our economic system; it is a challenge to the willingness to work with other peoples for world peace and for world prosperity.

For my part I welcome that challenge. I believe that our country, at this crucial point in world history, will meet that challenge successfully. I believe that, in cooperation with the other free nations of the world, we shall extend the full benefits of the democratic way of life to millions who do not now enjoy them, and preserve mankind from dictatorship and tyranny.

I believe that we shall succeed in our struggle for this peace, because I have seen the success we have had in our own country in following the principles of freedom. Over the last 50 years, the ideals of liberty and equal opportunity to which this Nation is dedicated have been increasingly realized in the lives of our people.

The ideal of equal opportunity no longer means simply the opportunity which a man has to advance beyond his fellows. Some of our citizens do achieve greater success than others as a reward for individual merit and effort, and this is as it should be. At the same time our country must be more than a land of opportunity for a select few. It must be a land of opportunity for all of us. In such a land we can grow and prosper together.

The simple truth that we can all go forward together is often questioned by selfish or shortsighted persons. It is strange that this is so, for this proposition is so clearly demonstrated by our national history. During the last 50 years, for example, our Nation has grown enormously in material well-being. This growth has come about, not by concentrating the benefits of our progress in the hands of a few, but by increasing the

wealth of the great body of our Nation and our citizens.

In the last 50 years the income of the average family has increased so greatly that its buying power has doubled. The average hours of work have declined from 60 to 40 a week, the whole hourly production of the average worker has tripled. Average wages, allowing for price changes, have increased from about 45 cents an hour to \$1.40 an hour.

We have accomplished what to earlier ages of mankind would have been a miracle—we work shorter hours, we produce more, and we live better.

Increasing freedom from poverty and drudgery has given a fuller meaning to American life. Our people are better educated; we have more opportunities for travel and recreation and enjoyment of the arts. We enjoy more personal liberty in the United States today than ever before.

If we can continue in the spirit of co-operative adventure which has marked the recent years of our progress, we can expect further scientific advances, further increases in our standard of living, and a still wider enjoyment of democratic freedom.

No one, of course, can foretell the future exactly. However, if we assume that we shall grow as fast in the future as we have grown in the past, we can get a good idea of how much our country should grow in the next 50 years.

At present our total national production is \$255 billion a year. Our working population and our output per worker are increasing. If our productive power continues to increase at the same rate as it has increased over the past 50 years, our total national production 50 years from now will be nearly four times as much as it is today. Allowing for the expected growth in population, this would mean that the real income of the average family in the year 2000 A.D. would be about three times what it is today.

These are estimates of what we can do in the future, but we can reach these heights only if we follow the right policies. We have learned by bitter experience that progress is not automatic—that wrong policies lead to depression and disaster. We cannot achieve these gains unless we have a stable economy and avoid the catastrophes of boom and bust that have set us back in the past.

These gains cannot be achieved unless our businessmen maintain their spirit of initiative and enterprise and operate in a competitive economy. They cannot be achieved unless our workingmen and women and their unions help to increase productivity and obtain for labor a fair share of the benefits of our economic system. They cannot be achieved unless we have a stable and prosperous agriculture. They cannot be achieved unless we conserve and develop our natural resources in the public interest. Our system will not work unless our people are healthy, well-educated, and confident of the future. It will not work unless all citizens can participate fully in our national life.

In achieving these gains the Government has a special responsibility to help create and maintain the conditions which will permit the growth we know is possible. Foremost among these conditions is the need for a fair distribution of our increasing prosperity among all the great groups of our population who help to bring it about—labor, business, agriculture.

Businessmen must continue to have the incentives necessary for investment and for the development of new lines of enterprise. In the future growth of this country, lie possibilities for hundreds of thousands of new and independent businesses. As our national production increases, as it doubles and redoubles in the next 50 years, the number of independent and competing enterprises should also increase. If the number does not increase, our constantly growing

economy will fall under the control of a few dominant economic groups whose powers will be so great that they will be a challenge to democratic institutions.

To avoid this danger, we must curb monopoly and provide aids to independent business so that it may have the credit and capital to compete in a system of free enterprise. I recommend that the Congress complete action at this session on the pending bill to close the loopholes in the Clayton Act which now permit monopolistic mergers. I also hope before this session is over to transmit to the Congress a series of proposals to strengthen the antimonopoly laws, to assist small business, and to encourage the growth of new enterprises.

In the case of labor, free collective bargaining must be protected and encouraged. Collective bargaining is not only a fundamental economic freedom for labor. It is also a strengthening and stabilizing influence for our whole economy.

The Federal statute now governing labor relations is punitive in purpose and one-sided in operation. This statute is, and always has been, inconsistent with the practice of true and effective collective bargaining. It should be repealed and replaced by a law that is fair to all and in harmony with our democratic ideals.

A full understanding of the problems of modern labor relations is of such importance that I recommend the establishment of a labor extension service to encourage educational activities in this field.

Another essential for our continued growth is a stable and prosperous agriculture. For many years we have been building a program to give the farmer a reasonable measure of protection against the special hazards to which he is exposed. That program was improved at the last session of the Congress. However, our farm legislation is still not adequate.

Although the Congress has properly declared as a matter of national policy that safeguards must be maintained against slumps in farm prices, there are serious shortcomings in the methods now available for carrying out this policy. Mandatory price supports should be provided for the commodities not now covered which are major sources of farm income.

Moreover, we should provide a method of supporting farm income at fair levels which will, at the same time, avoid piling up unmanageable surpluses and allow consumers to obtain the full benefit of our abundant agricultural production. A system of production payments gives the greatest promise of accomplishing this purpose. I recommend that the use of such a system be authorized.

One of the most important factors in our continued growth is the construction of more good, up-to-date housing. In a country such as ours there is no reason why decent homes should not be within the reach of all. With the help of various Government programs we have made great progress in the last few years in increasing the number of homes.

Despite this increase, there is still an acute shortage of housing for the lower and middle-income groups, especially in large metropolitan areas. We have laid the groundwork for relieving the plight of lower-income families in the Housing Act of 1949. To aid the middle-income families, I recommend that the Congress enact new legislation authorizing a vigorous program to help co-operatives and other nonprofit groups build housing which these families can afford.

Rent control has done a great deal to prevent the housing shortage from having had worse effects during this postwar period of adjustment. Rent control is still necessary to prevent widespread hardship and sharp curtailment of the buying power of

millions of consumers in metropolitan areas. I recommend, therefore, that rent control be continued for another year.

If we are to achieve a better life for all, the natural resources of the country must be regarded as a public trust. We must use our precious assets of soil, water, and forest, and grassland in such a way that they become constantly more productive and more valuable. Government investment in the conservation and development of our resources is necessary to the future economic expansion of the country.

We need to enlarge the production and transmission of public power. That is true not only in those regions which have already received great benefits from Federal power projects, but also in regions such as New England where the benefits of large-scale public power development have not yet been experienced.

In our hydroelectric and irrigation undertakings, as well as in our other resource programs, we must continue policies to assure that their benefits will be spread among the many and not restricted to the favored few.

Important resource legislation which should be passed at this session includes the authorization of the St. Lawrence seaway and power project and the establishment of the Columbia Valley Administration—the establishment of the Columbia Valley Administration, I don't want you to miss that.

Through wise Government policies and Government expenditures for the conservation and development of our natural resources, we can be sure of transmitting to our children and our children's children a country far richer and more productive than the one we know today.

The value of our natural resources is constantly being increased by the progress of science. Research is finding new ways of using such natural assets as minerals, sea water, and plant life. In the peaceful de-

velopment of atomic energy, particularly, we stand on the threshold of new wonders. The first experimental machines for producing useful power from atomic energy are now under construction. We have made only the first beginnings in this field, but in the perspective of history they may loom larger than the first airplane, or even the first tools that started man on the road to civilization.

To take full advantage of the increasing possibilities of nature we must equip ourselves with increasing knowledge. Government has a responsibility to see that our country maintains its position in the advance of science. As a step toward this end, the Congress should complete action on the measure to create a National Science Foundation.

Another duty of the Government is to promote the economic security, the health, and the education of its citizens. By so doing, we strengthen both our economy and the structure of our society. In a nation as rich as ours, all citizens should be able to live in decency and health.

Our Social Security System should be developed into the main reliance of our people for basic protection against the economic hazards of old-age, unemployment, and illness. I earnestly hope that the Congress will complete action at this session on legislation to increase the benefits and extend the coverage of old-age and survivors' insurance. The widespread movement to provide pensions in private industry dramatizes the need for improvements in the public insurance system.

I also urge that the Congress strengthen our unemployment compensation law to meet present-day needs more adequately. The economic downturn of the past year was the first real test that our system of unemployment insurance has had to meet. That test has proved the wisdom of the sys-

tem, but it has also made strikingly apparent the need for improving its operation and increasing its coverage and its benefits.

In the field of health there are immense opportunities to extend to more of our people the benefits of the amazing advances in medical science. We have made a good beginning in expanding our hospitals, but we must also go on to remedy the shortages of doctors, nurses, and public health services, and to establish a system of medical insurance which will enable all Americans to afford good medical care.

We must take immediate steps to strengthen our educational system. In many parts of our country, young people are being handicapped for life because of a poor education. The rapidly increasing number of children of school age, coupled with the shortage of qualified teachers, makes this problem more critical each year. I believe that the Congress should no longer delay in providing Federal assistance to the States so that they can maintain adequate schools.

As we go forward in achieving greater economic security and greater opportunity for all our people, we should make every effort to extend the benefits of our democratic institutions to every citizen. The religious ideals which we profess, and the heritage of freedom which we have received from the past, clearly place that duty upon us. I again urge the Congress to enact the civil rights proposals I made in February 1948. These proposals are for the enactment of Federal statutes which will protect all our people in the exercise of their democratic rights and their search for economic opportunity, grant statehood to Alaska and Hawaii, provide a greater measure of self-government for our island possessions, and accord home rule to the District of Columbia. Some of those proposals have been before the Congress for a long time. Those who oppose them, as well as those who favor them, should recog-

nize that it is the duty of the elected representatives of the people to let these proposals come to a vote.

Our democratic ideals, as well as our best interests, require that we do our fair share in providing homes for the unfortunate victims of war and tyranny. In so doing, we shall add strength to our democracy through the abilities and skills which these men and women will bring here. I urge the prompt enactment by the Congress of the legislation now before it to extend and broaden the existing displaced persons law and remove its discriminatory features.

The measures I am recommending to the Congress concerning both our foreign and our domestic policies represent a carefully considered program to meet our national needs. It is a program which necessarily requires large expenditures of funds. More than 70 percent of the Government's expenditures are required to meet the costs of past wars and to work for world peace. This is the dominant factor in our fiscal policy. At the same time, the Government must make substantial expenditures which are necessary to the growth and expansion of the domestic economy.

At present, largely because of the ill-considered tax reduction of the 80th Congress, the Government is not receiving enough revenue to meet its necessary expenditures.

To meet this situation, I am proposing that Federal expenditures be held to the lowest levels consistent with our international requirements and the essential needs of economic growth, and the well-being of our people. I think I had better read that over; you interrupted me in the middle.

To meet this situation, I am proposing that Federal expenditures be held to the lowest levels consistent with our international requirements and the essential needs of economic growth, and the well-being of our people. Don't forget that last phrase. At

the same time, we must guard against the folly of attempting budget slashes which would impair our prospects for peace or cripple the programs essential to our national strength.

The budget recommendations I shall shortly transmit to the Congress show that we can expect a substantial improvement in our fiscal position over the next few years, as the cost of some of our extraordinary postwar programs declines, and as the Government revenue rises as a result of growth in employment and national income. To further improve our fiscal outlook, we should make some changes in our tax system which will reduce present inequities, stimulate business activity, and yield a moderate amount of additional revenue. I expect to transmit specific recommendations to the Congress on this subject at a very early date.

The fiscal policy I am recommending is the quickest and safest way of achieving a balanced budget.

As we move forward into the second half of the 20th century, we must always bear in mind the central purpose of our national life. We do not seek material prosperity for ourselves because we love luxury; we do not aid other nations because we wish to increase our power. We have not devised programs for the security and well-being of our people because we are afraid or unwilling to take risks. This is not the meaning of our past history or our present course.

We work for a better life for all, so that all men may put to good use the great gifts with which they have been endowed by their Creator. We seek to establish those material conditions of life in which, without exception, men may live in dignity, perform useful work, serve their communities, and worship God as they see fit.

These may seem simple goals, but they are not little ones. They are worth a great deal more than all the empires and conquests

of history. They are not to be achieved by military aggression or political fanaticism. They are to be achieved by humbler means—by hard work, by a spirit of self-restraint in our dealings with one another, and by a deep devotion to the principles of justice and equality.

It should make us truly thankful, as we look back to the beginnings of this country, that we have come so far along the road to a better life for all. It should make us humble to think, as we look ahead, how much

farther we have to go to accomplish, at home and abroad, the objectives that were set out for us at the founding of this great Nation.

As we approach the halfway mark of the 20th century, we should ask for continued strength and guidance from that Almighty Power who has placed before us such great opportunities for the good of mankind in the years to come.

NOTE: The President spoke at 1 p.m. The address was broadcast over radio and television.

3 The President's News Conference of *January 5, 1950*

THE PRESIDENT. [1.] I have a statement I want to read to you. It will be handed to you in mimeographed form after the press conference.

[*Reading*] "The United States Government has always stood for good faith in international relations. Traditional United States policy toward China, as exemplified in the open-door policy, called for international respect for the territorial integrity of China. This principle was recently reaffirmed in the United Nations General Assembly Resolution of December 8, 1949, which, in part, calls on all states, and I quote:

"To refrain from (a) seeking to acquire spheres of influence or to create foreign controlled regimes within the territory of China; (b) seeking to obtain special rights or privileges within the territory of China.'"

That is the end of the quotation from the United Nations Resolution.

[*Continuing reading*] "A specific application of the foregoing principles is seen in the present situation with respect to Formosa. In the Joint Declaration at Cairo on December 1, 1943, the President of the United States, the British Prime Minister, and the President of China stated that it was

their purpose that territories Japan had stolen from China, such as Formosa, should be restored to the Republic of China. The United States was a signatory to the Potsdam Declaration of July 26, 1945, which declared that the terms of the Cairo Declaration should be carried out. The provisions of this declaration were accepted by Japan at the time of its surrender. In keeping with these declarations, Formosa was surrendered to Generalissimo Chiang Kai-shek, and for the past 4 years the United States and other Allied Powers have accepted the exercise of Chinese authority over the island.

"The United States has no predatory designs on Formosa, or on any other Chinese territory. The United States has no desire to obtain special rights or privileges, or to establish military bases on Formosa at this time. Nor does it have any intention of utilizing its Armed Forces to interfere in the present situation. The United States Government will not pursue a course which will lead to involvement in the civil conflict in China.

"Similarly, the United States Government will not provide military aid or advice to Chinese forces on Formosa. In the view

of the United States Government, the resources on Formosa are adequate to enable them to obtain the items which they might consider necessary for the defense of the island. The United States Government proposes to continue under existing legislative authority the present ECA program of economic assistance."

At 2:30 this afternoon Dean Acheson will hold a press conference and further elaborate on the details with reference to this statement which I have just issued on the policy of the United States Government toward China and Formosa.¹

I do not want to answer any questions on the subject now, so save your questions for this afternoon.

Are there any other questions? [*Laughter*]

[2.] Q. Mr. President, I have a couple of atomic energy questions.

THE PRESIDENT. Shoot.

Q. Since you were the source of information on the first Russian atomic bomb explosion, can you comment on a London report that said Russia is going to explode another bomb next Saturday?

THE PRESIDENT. I had no advance information on the explosion of the other Russian bomb. Naturally, I have no advance information on this one.²

[3.] Q. Mr. President, were you personally sufficiently acquainted with Sir Willmott Lewis³ that you would care to comment on his passing?

THE PRESIDENT. I was just casually acquainted with him, but I knew him by reputation, and of course I was sincerely sorry to hear of his passing. I didn't know about

it until I saw it in the paper, I think this morning.

[4.] Q. Mr. President, the St. Louis Citizens Fuel Committee and the St. Louis Retail Coal Association both wired you, either last night or today, saying that while temperatures were dropping out there their fuel supply was running low, and urged that for public health and safety you secure full operation of the coal mines without delay. Have you seen those telegrams?

THE PRESIDENT. No, I haven't seen them.

Q. Any comment?

THE PRESIDENT. I think possibly they were sent to the press and not to me, so I can't answer them to the press. However, when I get them, I will see if they are entitled to an answer, and if they are they will get an answer.

[5.] Q. Mr. President, when you referred to public power development in New England in your message,⁴ were you referring to the Passamaquoddy tidal power or were you referring to river power?

THE PRESIDENT. Both.

Q. On that same line, how would you favor similar TVA development on the Cumberland River in Tennessee?

THE PRESIDENT. I am not familiar with that situation, and I can't answer that question.

[6.] Q. Mr. President, I am in a high state of confusion concerning the—on that perennial St. Lawrence power and navigation project.

THE PRESIDENT. What causes the confusion?

Q. There have been a lot of maneuvers.

THE PRESIDENT. What do you mean?

Q. I don't know whether I can clear them up in this rapid fire question and answer, but I would like to explain a little bit about it to you, if you will permit me?

¹ For the remarks of the Secretary of State at his press conference on January 5, see the Department of State Bulletin (vol. 22, p. 79).

² For the statement by the President announcing the first atomic explosion in the Soviet Union, see 1949 volume, this series, Item 216.

³ Sir Willmott H. Lewis, Washington correspondent emeritus of the London Times.

⁴ See Item 2.

THE PRESIDENT. Sure, go right ahead.

Q. You know some months ago the Ontario and New York power people got together on a proposal to develop power separately from the navigation, and you took the stand that it was all or nothing.

THE PRESIDENT. That is correct, and I still am of that same frame of mind; all or nothing.

Q. And that seemed effectively to put it on ice for a while, but while you were away, I think, they reactivated it over in the Federal Power Commission.

THE PRESIDENT. Well, I will never agree to the development of the St. Lawrence power project until the St. Lawrence Seaway project is attached to it. They go together. It should be developed together. That is for the interests of the whole United States, when it is developed that way. The other development is just for the interests of power in Ontario and the State of New York. And I want the whole country to have some good out of that development if we are going to pay for it.

[7.] Q. Mr. President, for those of us who have been waiting for a full National Labor Relations Board, have you any news today?

THE PRESIDENT. No, I haven't.

Q. Have you any nominations at all that you might tell us?

THE PRESIDENT. A whole batch of recess appointments today at noon.⁵

Q. Recess appointments?

THE PRESIDENT. Appointments that were made during recess. I am sending them up. We will give you a list of them.

Q. Any interesting ones that might make better news? [*Laughter*]

THE PRESIDENT. No. You have them all.

⁵ For the list of the President's nominations received by the Senate on January 5, see the Congressional Record (vol. 96, p. 106).

[8.] Q. Mr. President, there are reports from out in Missouri as to whether you have endorsed the candidacy of State Senator Emery Allison for United States Senator?

THE PRESIDENT. I know Emery Allison very well. I like him, and I think he would make a wonderful United States Senator from Missouri. When the primary comes around, I shall vote for him.

Q. Where is he from, Mr. President?

THE PRESIDENT. Where is he from? Rolla, Mo. He is the ranking Democratic member of the State Senate of Missouri.

Q. How do you spell his name, sir?

THE PRESIDENT. A-l-l-i-s-o-n—but I am not sure whether it has two l's or not. E-m-e-r-y A-l-l-i-s-o-n. Whether it has two l's or not, I can't remember.

[9.] Q. There is another power question I would like to ask you about?

THE PRESIDENT. Shoot—go right ahead.

Q. Do you favor development of Niagara power as well as the St. Lawrence?

THE PRESIDENT. Oh, yes. I am for the development of all the power we can get in that corner of the United States. There are four great power projects in this country in which I am vitally interested. The Northeast power project, which includes New England developments, about which I was talking awhile ago, and the St. Lawrence. And the Northwest, which includes the Columbia and Snake River developments, and the Central Valley of California. And the Southwest, which includes Boulder Dam, and those projects in Texas and Oklahoma. And the southeast—northeast—northwest Arkansas, southwest Missouri, and northeast Oklahoma. And then the southeast development of the Tennessee Valley, and the Savannah, and the rivers in South Carolina on which we are building power projects.

We will then have a network of power in

the United States, and if we can get the three developments for the upper Mississippi, Missouri, and Ohio Valleys, we will have an inexhaustible supply of power, of which I think there can never be too much.

Q. In connection with that, are you figuring on the St. Lawrence Valley?

THE PRESIDENT. St. Lawrence *Seaway*. I want the St. Lawrence Seaway development all the way to Chicago, so that we can—and Duluth—so that we can tie up in Chicago. We have nothing at the docks in Chicago and Duluth.

Q. I wonder whether you are in favor of a long-term TVA for that area?

THE PRESIDENT. No, that will have to be a proposal carried out between the Governments of Canada and the United States, and the division of power in the United States will have to be under the control of the Federal Government.

Q. Well, Mr. President, will you send a message on New England development?

THE PRESIDENT. I probably will. As soon as possible, I probably will send a letter to the Congress on the subject.⁶

[10.] Q. Mr. President, is it true that you plan to decide by February 15th on construction of a hydrogen-powered atomic bomb project?⁷

THE PRESIDENT. I have no comment to make on that.

[11.] Q. Mr. President, in your message yesterday, I believe you did not mention the Missouri Valley Authority?

THE PRESIDENT. Well, I am interested in the development of the Missouri, Mississippi, and Ohio Rivers as a project. I think they will—all three of them, the Mississippi, the Missouri, and the Ohio Rivers—will soon be developed as a central valley project for the United States.

⁶ See Item 33.

⁷ See Item 26.

[12.] Q. Mr. President, do you favor Federal development of the Niagara River?

THE PRESIDENT. What's that?

Q. Federal development of the Niagara River?

THE PRESIDENT. I want to make it a seaway of the St. Lawrence River. If the Niagara is included in that, why of course that will be all right. I don't think it is, though. I think there is a canal that goes around that still.

Q. The United States and Canada are now conferring on power development in the Niagara River.

THE PRESIDENT. The St. Lawrence development, I think, was our project, and I am for the development of the St. Lawrence Seaway power project. You can make it as broad as you want to.

[13.] Q. In view of your comment on the Missouri election, do you have anybody in Ohio that you like the looks of?

THE PRESIDENT. I don't dabble in primary politics in any State except Missouri.

Q. Mr. President, in Pennsylvania Senator Myers is unopposed for the—the Democratic nomination for Senator. The Republicans, I believe, have a couple of boys that haven't been definitely announced. I was wondering if you are going into Pennsylvania to speak for Senator Myers?

THE PRESIDENT. It won't be necessary for me to go into Pennsylvania in the primary. I don't care how much trouble the Republicans have in the primary. I hope the Democrats won't have any. [*Laughter*]

Q. I mean subsequently?

THE PRESIDENT. Well, I will answer that question when the time comes.

[14.] Q. Mr. President, I would like to get this Missouri Valley thing straightened out.

THE PRESIDENT. Shoot.

Q. Is it your idea that the Pick-Sloan

plan⁸ will eventually envelop the Missouri Valley Authority?

THE PRESIDENT. Yes. Yes. I am very sure it will.

Q. That is your idea, that eventually Pick-Sloan will—

THE PRESIDENT. Will develop all the Missouri Valley Authority. Then I want to develop the Mississippi and Ohio in conjunction with the suggestion covering the whole valley.

Q. Now then, on the Missouri, will you have an authority—an administration for the Pick-Sloan plan, or will you still have—

THE PRESIDENT. We will cross that bridge when we get to it. I am not ready to go into detail on it at all. There has been too much detail on it now. That is the reason we are having trouble with it. You have got nine Governors of nine States on that river.

[15.] Q. Mr. President, one more question in answer to Mrs. Craig's?⁹

THE PRESIDENT. Sure.

Q. You said that you were covering the plan with a letter. Does that apply solely to Northeast power, or the whole project?

THE PRESIDENT. That applies to New England. We have already made a statement on the St. Lawrence Seaway and power project. I am anxious to see that there is proper development of power in the New England area.

[16.] Q. When do you plan to submit your special message on taxes?

⁸ Joint plan for the division of responsibility in the Missouri Valley between the Corps of Engineers and the Bureau of Reclamation. The Engineer Corps was given responsibility for determining the capacities of main-stem and tributary reservoirs for flood control and navigation. The Bureau assumed responsibility for determining the capacities of reservoirs for irrigation purposes. The plan was approved by Congress on December 22, 1944 (sec. 9, 58 Stat. 891). However, the Congress did not approve President Roosevelt's request for the creation of a Missouri Valley Authority.

⁹ Mrs. May Craig of the Portland (Maine) Press Herald.

THE PRESIDENT. Just as soon as it is ready.¹⁰

Q. Mr. President, what are your plans on strengthening the antitrust laws?

THE PRESIDENT. They are in the message. I made them as plain as I could in the message.¹¹

Q. You spoke of future recommendations.

THE PRESIDENT. That is correct. Just as quickly as I can get the recommendations ready, I will send them down.

Q. The same for small business?

THE PRESIDENT. Yes. They cover both. Can't have one without the other.

[17.] Q. Mr. President, how do you like the reaction to your message yesterday?

THE PRESIDENT. It was fine. I told you that yesterday as I came out. [Laughter]

Q. Mr. President, how did you like the Republican response to your reference to the—

THE PRESIDENT. I was highly pleased when they turned that into an ovation for me. [Laughter]

Q. Mr. President, do you expect a similar ovation when you explain how much a moderate tax increase is?

THE PRESIDENT. Yes. Yes, I do. Especially from the Democrats.

[18.] Q. Are you encouraged to go back to Key West again this winter?

THE PRESIDENT. Well, I don't know whether I can go or not. I would if I could. Mighty nice place to be when you want plenty of sunlight. They tell me it is going down to zero here pretty soon. I suppose we will all want to go where it is warm.

What did you ask me?

[19.] Q. There was a rise in stock market prices, I noticed, after you spoke. Do you regard that as one of the good reactions—

THE PRESIDENT. Well, I don't—I can't comment on that because I didn't pay any atten-

¹⁰ See Item 18.

¹¹ See Item 2.

tion to that. I wasn't making a speech to affect the stock market. [*Laughter*] It was in the public interest.

[20.] Q. Was Speaker Rayburn's remark about the size of the budget intentional, or a slip, or ¹²—

THE PRESIDENT. Well now, I can't answer for Speaker Rayburn. Why don't you ask him that question? The budget will go down—the Budget Message will go down Monday morning—Monday at noon—when ever the Congress meets, and we will have the seminar on the Budget on Saturday morning,¹³ and you will know just as much about it as I do. I am not going to discuss it now.

[21.] Q. Mr. President, your reference to the power development in the big river basins was largely in terms of electric power. You have in mind, I presume, more general multipurpose development?

THE PRESIDENT. The principal development in the central valley of the Missouri, Mississippi, and Ohio is navigation and flood control. Up as far as Sioux City, Iowa, on the Missouri, there is no possible power for that particular project except maybe on some of the branches. The Missouri River carries more sediment than any other river in the world except the Danube, and if you would attempt to build a dam from bluff to bluff on the Missouri River, right below Sioux City, Iowa, it wouldn't be but about a year and a half and you would have lots of mud behind the dam, and you would have a fall there.

The development of the Missouri, Ohio, and the Mississippi are projects that will have to be worked out as the features of the

¹² As reported in the press, the Speaker saw the new budget during a White House conference on January 3, after which he stated that the budget would call for an expenditure of "a little above \$42 billion."

¹³ See Item 8.

ground reveal its condition.

Q. Speaking of the Ohio Valley, how far up the river would you go in the development of it?

THE PRESIDENT. Do you know where the Ohio originates? At Pittsburgh, where the Alleghenies come together, where there are now some flood control and power dams on the Monongahela River. And the way to control floods is to control the little rivers, and that will have to be done all over that valley in order to control the floods.

Q. That is mainly a flood control proposition for the Ohio Valley?

THE PRESIDENT. That is the most important part of the development.

[22.] Q. You have made recommendations several times on the Central Valley of California?

THE PRESIDENT. The valley of California—Central Valley of California, yes. I am in the same frame of mind as I am for the rest of these developments. I want to see a Central Valley Authority from Shasta Dam all the way up to the San Bernadino Mountains.

[23.] Q. Where there are expensive details of construction, whom do you want to transmit the power?

THE PRESIDENT. Where it is necessary, the United States Government. Where private industry can do it as cheaply as the United States Government, I am happy to have them do it.

[24.] Q. Mr. President, do you plan to find out the type of authority for that Savannah Valley in the southeast?

THE PRESIDENT. I hadn't given that any thought.

Q. Merely want the dam built?

THE PRESIDENT. I want power developed, principally.

[25.] Q. Mr. President, do you anticipate any real coordination on these three

river valleys in your present term of office?

THE PRESIDENT. Which three do you mean?

Q. The Mississippi, Missouri, and Ohio?

THE PRESIDENT. That is a tremendous project—will cost about a billion and a half dollars. If it should be, it will have to come

more or less gradually. We have already spent a billion, 250 million. It is about time we did some developments—

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and tenth news conference was held in his office at the White House at 10:40 a.m. on Thursday, January 5, 1950.

4 Remarks at the American Federation of Labor's Samuel Gompers Centennial Dinner. *January 5, 1950*

Mr. Chairman, Mr. Vice President, members of this great organization:

I have been over at the house all evening, working on two more messages on the state of the Union. One of them is ready to go down tomorrow. It is the Economic Message. And then I have one that is creating a great deal of conversation, known as the Budget Message. Everybody seems to know all about it but me, and I am the only one that knows all the figures in it.

But I was sitting over there thinking about this celebration in honor of one of labor's greatest statesmen, and I couldn't stay away.

I knew that anything I would say would be a surplus remark after the Vice President, and Matthew Woll, and William Green had paid tribute to the great Samuel Gompers; but I want you to understand that I remember him distinctly as the originator of the great movement which set labor free. And I wanted to come over here and pay tribute to him.

I remember when he passed away. He passed away in 1924, the year in which I was defeated for reelection—and they never succeeded in doing that to me since.

I was one of Samuel Gompers' great admirers when I was a very young man on the farm. Everybody in that day and age considered him a labor statesman. He was not only a labor statesman in a bipartisan sense, but he was just as good a Democrat as I ever was.

I remember very distinctly his support of Woodrow Wilson when Woodrow Wilson needed that support worse than anything he ever needed in his life. That was when California decided the election for Woodrow Wilson in 1916.

Samuel Gompers made a great contribution to the welfare of this great Nation of ours, and I consider it a very high honor that Mr. Green and the people who are holding this meeting tonight should ask me to come over and pay this very slight tribute to one of your greatest leaders who ever lived.

And I thank you for that privilege.

NOTE: The President spoke at 10:42 p.m. at the Statler Hotel in Washington. In his opening words he referred to George Meany, secretary-treasurer of the American Federation of Labor and chairman of the dinner, and Alben W. Barkley, Vice President of the United States. Later in his remarks the President referred to William Green and Matthew Woll, president and vice president of the American Federation of Labor.

5 Statement by the President on the Midcentury White House Conference on Children and Youth. *January 6, 1950*

IN THE State of the Union Message to Congress, I called attention to the supreme need of our time to use our great powers of mastery over the physical world to develop the moral and legal framework within which mankind can live together in peace and harmony. The peoples of the earth look to us as never before for good will, strength, and wise leadership. If we are not to fail them and ourselves, our children must be prepared.

It is in the hope that in the next half century we may write a new chapter of history, different from the first half, with its wars and injustices on an unparalleled scale, that I have proposed the Midcentury White House Conference on Children and Youth to be held in December 1950.

I was delighted to learn from the representatives of the national committee for this Conference, who called on me today, that already great numbers of citizens see the significance of this effort, and are working together to make this Midcentury Conference

a powerful force for improving the environment in which our children grow up, for increasing our understanding of children's needs, and for multiplying their opportunities for happiness and useful service. I have been impressed by the opportunity provided in this Conference to combine widespread public participation with expert help, in a common effort to advance the well-being of our next generation. I have urged the committee to press forward with every resource to accomplish this objective and have assured the committee of my complete support.

NOTE: The Midcentury White House Conference on Children and Youth was held on December 3-7, 1950, in Washington, D.C. For the President's address before the Conference on December 5, see Item 299. See also 1949 volume, this series, Items 198, 204.

As recorded in the White House appointment book, the following representatives of the National Committee for the Conference called on the President on January 6, 1950, at 11:45 a.m.: Mrs. Franklin D. Roosevelt, Chauncey McCormack, president of the Chicago Art Institute, Mrs. David Levy, and Katharine F. Lenroot, Chief of the Children's Bureau, Federal Security Agency.

6 Annual Message to the Congress: The President's Economic Report. *January 6, 1950*

To the Congress of the United States:

As 1950 opens, renewed confidence prevails in the American economy. This confidence is in itself an element of strength; and it is justified by the facts.

Late in 1948 we stood at the peak of the inflationary boom. It was clear that an eventual adjustment was inevitable before we would have a firm basis for stability and steady economic growth. During 1949 we met the test of that adjustment. Despite rough going for a few months, we made necessary changes with much less distress

and difficulty than ever before. Today we are on firmer ground than we were a year ago.

Prices are down somewhat, and show the relative stability on which firm business and consumer plans can be based. Inventories of manufacturers and retailers have been reduced, and now are better adjusted to the rate of sales. These changes were accomplished with only very small reductions in dollar incomes and consumer spending. Allowing for price changes, the volume of goods and services purchased by consumers

in 1949 was actually larger than in 1948. Business is proceeding with good profit prospects. Home building in 1949 reached a higher level than ever before.

More important still, employment and production, which declined during the first few months of 1949, have in recent months been moving upward again. Considerably more people now have jobs than at the low point last year. Industrial production has increased by 9 percent since July. Holiday sales have hit an all-time peak.

The relatively safe passage from inflation to greater stability was no accident. Businessmen, workers, and farmers demonstrated much greater judgment and restraint than in earlier similar periods. Their actions showed that they had gained understanding of the causes of our economic situation and what should be done to improve it. Their efforts were aided by public policies which had been developed over the years and had been improved by experience. Government measures in such fields as credit and banking, social insurance, and agricultural price supports, proved their worth in cushioning the downswing and lending strong support to the recovery movement.

This effective teamwork between free enterprise and Government confounded the enemies of freedom who waited eagerly, during 1949, for the collapse of the American economy. Our economy continues strong. We are able to continue and advance the domestic and international programs which are the hope of free peoples throughout the world.

We have succeeded in avoiding a serious set-back in 1949. We have regained stability; but we need more than stability. The great motivating force in our economic system is the perpetual will to move ahead, to use our skills and our resources more efficiently, to produce more at lower cost, and to provide a better and richer life for all our

citizens. The American economy must expand steadily.

Maximum production and maximum employment are not static goals; they mean more jobs and more business opportunities in each succeeding year. If we are to attain these objectives, we must make full use of all the resources of the American economy.

During the past year, we did not do so. Our success thus far in reversing the forces of recession cannot hide the high price we paid for economic instability. The downturn brought anxiety and suffering to millions who became unemployed, and to their families. It brought failure to many small businesses. It reduced the opportunities for the creation of new enterprises. It hurt the free nations whose continuing revival depends upon trade with us. It caused our total output for 1949 to be some 10 to 13 billion dollars lower than it would have been if maximum production and employment had been maintained.

In earlier economic reports, I emphasized the dangers of permitting inflationary pressures to continue, and urged measures to hold them in check. Most of these measures were not adopted, and the break in the economic boom, against which I had warned, came to pass. Six months ago, the Midyear Economic Report pointed out the way to recovery. Additional steps should now be taken to complete the process of recovery. We must not again make the mistake of failing to adopt affirmative policies necessary for continued economic stability and growth.

At present, our economy is moving upward again. But we have not yet reached the point of fully employing our resources.

Although output is high, some resources of plant and equipment are not being fully used. Although employment is large, unemployment in recent months has been about 1½ to 2 million higher than in the corresponding months of 1948. Further-

more, our technology, productive facilities, and labor force are continuing to grow.

If we are to use all these resources, we must tap the dynamic forces of expansion within the American economy. One of the most important of these dynamic forces is the process of business investment, by which productive capacity is enlarged and improved. In the fourth quarter of the year, business investment has not kept pace with the improvement in economic conditions. If the downward trend in business investment were to continue, our prospects for full recovery and continued expansion would be seriously endangered.

There is no need for this decline to continue. There are immense opportunities for business investment in nearly every segment of the economy. There are in general sufficient funds available to businessmen who want to seize these opportunities. The initiative of businessmen, aided by proper Government policies, can and should soon reverse the trend of business investment.

Business investment can continue at a high level only if markets for consumer goods continue to expand. Price and wage policies should be directed at enlarging these markets. For only by broadening the distribution of goods and services can our business system find full use for its expanding productive capacity.

The events of 1949 demonstrated anew the basic strength of the American economy. They also demonstrated that economic affairs are not beyond human control. We should now seek to establish a course that will complete the recovery and carry us on to steady economic growth.

SUMMARY OF THE ECONOMIC SITUATION

Total civilian employment in 1949 averaged 58.7 million, somewhat less than the

average of 59.4 million in 1948, and was 58.6 million in December 1949. Nonagricultural employment fell during the first five months, reaching a low of 49.7 million in May. Since that month it has increased at more than the usual seasonal rate, reaching 51.8 million in December.

Over the year, unemployment averaged 3.4 million, or about 5 percent of the labor force, compared with 2.1 million or 3 percent of the somewhat smaller labor force in 1948. Unemployment at its worst in July 1949 amounted to 4.1 million. In December, it was just below 3.5 million, 1.6 million more than in December 1948. There has been a rapid rise in the number of unemployed workers exhausting their rights to unemployment benefits.

Total production of all goods and services in 1949 was 259 billion dollars. Adjusted for changes in prices, this was about 1 percent lower than in 1948, and fell short of maximum production by 4 to 5 percent, or 10 to 13 billion dollars. The sharpest drop was in industrial production, which averaged 9 percent lower than in 1948, while agricultural output dropped about 1 percent. Construction advanced about 5 percent, and output of electricity and gas rose about 2 percent. There was a gain in the service industries.

From November 1948, until the low point of July 1949, industrial production declined 17 percent. Since July the trend has been upward, interrupted only by work stoppages. By December industrial production had regained nearly half of the lost ground.

Prices during the first half of 1949 showed a general but moderate decline, followed by relative stability in the second half. Wholesale prices by the end of the year were down 7 percent from their level of a year earlier, and 11 percent below their 1948 peak. The sharpest declines were in farm and whole-

sale food prices. Farm prices are now 23 percent below the postwar peak and 12 percent below what they were a year ago. The drop in consumers' prices was much more moderate. By November 1949, consumers' prices had declined 2 percent below the level at the end of 1948 and 3 percent below their postwar peak.

Wage increases were received by a much smaller number of workers than in previous postwar years. There was no general wage pattern. Wages averaged slightly higher than in 1948, and consumers' prices were somewhat lower. One outstanding development was the growth of pension and social insurance plans financed in whole or in part by employers.

Work stoppages in 1949 were about the same in number as in 1948, but the two major stoppages, in coal and steel, involved such a large number of workers that the loss in man-days of work was about 50 percent greater than in 1948.

Profits were lower in 1949 than in 1948. For the year as a whole, corporate profits before taxes and the inventory valuation adjustment were 27.6 billion dollars, a drop of about 21 percent. Much of the loss in reported profits represented the effect of falling prices on inventory valuation.

Farm income (realized net income of farm operators) declined about 15 percent, reflecting the decline in prices. The agricultural price-support program prevented a much sharper decline in prices and incomes.

Credit terms generally eased during the year. Interest rates declined. Business loans, reflecting the liquidation of inventories, declined sharply during the first six months but began to advance again in the latter part of the year. Instalment credit, after a slight decline in the first quarter, resumed its advance and reached a new postwar peak. Most notable was the more than

60 percent increase in automobile instalment credit during the year.

Consumers' disposable income was slightly higher in 1949 than in 1948, rising from 190.8 billion dollars to 192.9 billion dollars. The trend, however, was different, rising every quarter in 1948 and falling every quarter in 1949. In the fourth quarter of 1949 the annual rate was 191.1 billion dollars. Unemployment compensation in 1949 contributed 1.9 billion dollars to consumer income, 1 billion dollars more than in 1948.

Consumer expenditures for goods and services were remarkably constant throughout 1949. Their total was 179 billion dollars. This was equal to the total for 1948 as a whole, but about 2 billion dollars lower than the annual rate in the second half of that year. Allowing for price changes, consumers' expenditures represented a slightly higher volume of goods and services purchased than in 1948. An increased proportion of consumer spending was devoted to purchases of services and durable goods, a decreased proportion to the purchase of non-durable goods.

Net personal saving amounted to 14.4 billion dollars, compared with 12 billion dollars in 1948. During 1949, however, the trend of saving was downward, from an annual rate of 16.3 billion dollars in the first quarter to 13.1 billion dollars in the fourth. While personal saving in 1949 was high by any previous peacetime standards, it is estimated that about one-third of all families did not add to their savings, but instead spent more than they earned.

Private domestic investment in 1949 was 18 percent below the preceding year, primarily because of a shift from accumulation to liquidation of inventories. By the fourth quarter, the liquidation of inventories was slowed down, but investment in plant and equipment continued to decline. The drop

in business investment was the principal feature in the lower level of economic activity in 1949.

Construction, in spite of a slow start, exceeded the high level attained in 1948 by 3 percent in dollar volume, and was an important stabilizing force in the economy. Public construction increased by 25 percent over 1948. Private construction declined by 4 percent, but residential construction was particularly strong in the second half of the year, rising to a new postwar peak in the fourth quarter. Housing starts for the year exceeded 1,000,000, compared with 931,300 in 1948. The number of multi-family units started was about one-fourth larger than in 1948.

By the end of the year, the rate of total construction activity was 11 percent higher than it was a year earlier, and the backlog of contracts had increased considerably. A reduction in prices and costs, the easing of credit, the expanded authority of the RFC to purchase mortgages, and the renewal of FHA authority to insure rental projects, all contributed to the upsurge.

Corporate finance reflected the changes in the economic situation. The shift from increasing inventories and increasing customer credit in 1948, to inventory reduction and a lower rate of increase in customer credit in 1949, permitted corporations to improve their financial liquidity while continuing large outlays for new plant and equipment. Liquid assets increased by 2.5 billion dollars. Short-term debt decreased by 4 billion, but long-term debt increased by about the same amount. In 1949, internal sources of corporate funds were larger than required for capital investment; in 1948, internal sources of funds amounted to only about 70 percent of the requirements for capital investment.

The export surplus (the excess of our exports of goods and services over our imports) was only slightly lower in total in 1949 than

in 1948, but it fell sharply in the second half of the year. This resulted primarily from a sharp drop in our exports of goods and services, following severe losses of gold and dollars by the countries in the sterling area. The devaluation of foreign currencies subsequent to these losses has so far had little effect on our economy.

Government fiscal transactions in 1949 helped to stabilize the economy. Cash payments by governments—Federal, State and local—were about 8 billion dollars higher in the calendar year 1949 than in 1948. Federal cash payments alone were 6.2 billion dollars higher. Nearly half of this rise resulted from the impact of recessionary forces on such programs as unemployment compensation and agricultural price supports, and the remainder was mainly the result of larger expenditures for international and defense programs. The increase in State and local cash payments was caused chiefly by higher expenditures for schools, roads, and other public works. With increasing government payments, and with a slight decline in the gross national product, the ratio of all government payments to total output increased from about 20 percent in 1948 to 23½ percent in 1949. Cash receipts declined primarily because of the 1948 cut in Federal taxes.

As a result of these changes, the cash surplus of all governments—Federal, State, and local—which amounted to over 7 billion dollars in the calendar year 1948, became a cash deficit of 3 billion dollars in 1949. For the Federal Government, the result was a shift from a cash surplus of 8 billion dollars to a cash deficit of about 1.7 billion dollars.

UNIFYING PRINCIPLES FOR ACTION

These facts show our tremendous economic strength. But this strength does not rest in material things alone.

If we are to continue our economic growth the major economic groups must all pull together—businessmen, wage earners, and farmers must work toward the same ends. Government, in turn, must carry out the aspirations of the whole people.

Our success will depend upon the widespread conviction that all groups have a stake in the expansion of the economy—that all will share in the benefits of progress. In the days ahead we must broaden our understanding of how the various interests of our people are interrelated.

Toward this end, I should like to point out certain principles on which we can all base our economic efforts. The more widely these principles are understood, the better able we shall be to solve our common problems and reconcile the interests of different economic groups. The more widely these principles are used as the basis for economic action and decision, the more rapid will be our national progress.

First. Our economy can and must continue to grow.

An expanding population and an increasingly productive labor force require constantly expanding employment opportunities and steadily rising levels of investment and consumption. Within five years, we can achieve an annual output in excess of 300 billion dollars. The gain in national income would be equal to an average of nearly \$1,000 for every family in the United States. This would greatly improve standards of living. It would go far toward our goal of the complete elimination of poverty. It would provide employment opportunities for about 64 million workers.

Such prospects are not fanciful. They are based upon our long-term record of achievement, including some years when we did not use fully our resources of plant, managerial skills, and labor force. And today, we

are better equipped with these resources than ever before.

But we will not make this progress within five years unless we begin to move in that direction now. Our immediate goal for 1950 should be to regain maximum employment. This requires the reduction of unemployment to the minimum level consistent with labor mobility in a free economy. We should strive this year to reduce unemployment from 3½ million to 2 million, or 2½ million at most. This would mean about 61 million civilian jobs. It would mean stepping up our national output by about 7 percent above the 1949 total. These are our objectives for this year under the Employment Act. If we put forth sufficient effort, we can reach these objectives before the year's end.

Second. The benefits of growth and progress must extend to all groups.

Only in this way can the long-run welfare of any group be preserved. If any part of our economy is depressed, or fails to gain, it can only serve as a drag against the gains of other parts. There is no room for the feeling that one group can prosper only at the expense of another. There is abundant opportunity for all groups to prosper together. Expansion to a 300 billion dollar economy within five years would place 30 to 45 billion dollars more per year in the hands of consumers for buying the needs and comforts of life. It would provide opportunity for profitable business investment in plant, equipment, and housing which might run 3 to 6 billion dollars per year above the 1949 level. It would enable farmers to sell about 10 percent more food for domestic consumption.

Third. This growth will not come automatically, but requires conscious purpose and hard work.

Productivity per worker should be in-

creased by at least 2 to 2½ percent a year. Labor should base its policies on the prospect of a stable and expanding economy. Businessmen should base their investment policies on confidence in growth, shape their price policies to the needs of larger markets, and proceed with vigor and ingenuity to develop new and better products of all kinds. Farmers should make full use of new technology, and make shifts in production toward those commodities most needed in a growing peacetime economy.

To promote an environment in which businessmen, labor, and farmers can act most effectively to achieve steady economic growth is a major task of the Government. It must perfect measures for helping to stabilize the economy. It must build up the natural resources which are essential to economic progress, and expand the protective measures against human insecurity. It must keep open the channels of competition, promote free collective bargaining, and encourage expanded opportunities for private initiative.

Fourth. The fiscal policy of the Federal Government must be designed to contribute to the growth of the economy.

The Federal Budget is an important part of the national economy. Wise budgetary policies can promote stability and maximum production and employment throughout the economy.

In fields such as resource development, education, health, and social security, Government programs are essential elements of our economic strength. If we cut these programs below the requirements of an expanding economy, we should be weakening some of the most important factors which promote that expansion. Furthermore, we must maintain our programs for national security and international peace. These programs are the defense of the world against disaster. Upon them, our whole future depends.

Government revenue policy should take into account both the needs of sound Government finance and the needs of an expanding economy. Federal receipts should be sufficient over a period of years to balance the budget and provide a surplus for debt reduction. At the same time, the tax structure, and the changes made in it from time to time, should be such as to promote the amounts and types of investment, consumption, and saving needed for economic expansion. We should recognize that the expansion of the economy will generate additional revenues and strengthen the fiscal position of the Government.

Fifth. We must deal vigorously with trouble spots which exist in our economy even in times of general prosperity.

Special measures are needed to help low-income groups and, even more important, to provide them with better opportunities to help themselves. We must deal with the particular problems of communities or areas which are depressed, or whose economic growth has been retarded. Whenever a shortage of jobs, or lack of business opportunity, affects as many persons as it does today, it is a matter for national concern. Economic stagnation anywhere is an injury to the whole economy. We must direct specific measures to these special problems.

In the light of these guiding principles, I turn to the consideration of needed economic policies.

ECONOMIC POLICIES

Under our system, private and public policies go hand in hand. Private economic policies provide motive power of the economy. Public economic policies provide the framework for economic activity. Sound plans for our future growth must take account of both, and blend them to achieve maximum effectiveness.

Price and wage policies

The basic economic problem facing the country now is not to combat inflation. Instead it is to increase production, employment, and incomes to complete the recovery from the 1949 downturn, and to go on to the higher levels which will be made possible by a growing population and rising productivity.

Business policies concerning prices should be determined with these objectives in mind. In general, prices now seem at or near a stable level consistent with continued expansion of business activity. There are few if any major areas in which price increases would be justified under present circumstances. In some outstanding areas, price cuts are feasible and needed to maintain and expand sales. Furthermore, technological progress should in part be reflected in price reductions from time to time.

Wage adjustments are one historic method by which buying power has increased with increasing productivity. These adjustments are now in the hands of management and labor. That is where they should remain. At the same time, the participants in collective bargaining, particularly in dominant industries, should recognize that wage adjustments affect not only the employers and workers immediately engaged, but also the whole economy.

I am glad to note that the Council of Economic Advisers is encouraging joint conferences in which representatives of industry, agriculture, and labor may together study the economic principles underlying maximum economic activity. Such conferences should be productive of improved policies.

Business investment

The large and imaginative programs of expansion and modernization of plant facili-

ties which have been undertaken since the war represent a signal achievement by private enterprise. The trend of business investment, however, has recently been downward, and its continued decline would be a cause for real concern.

There are tremendous business opportunities in a growing economy. Not only are there more people in our country every year, needing food and clothing, homes and household equipment, and all the other goods and services of our bountiful productive system. Even more important, the results of research and experience give us every year new and better materials and productive methods; new products are constantly being developed, and whole new industries begun. All these changes are continually opening up new opportunities for productive investment.

There are, in general, ample funds available to businessmen who want to expand or build new plants, to replace obsolete equipment, or to extend their operations to new geographic areas. Banks are in a position to provide funds for sound loans, and interest rates have been declining. The flow of institutional savings, such as insurance premiums, is at record levels. Corporations as a whole are in excellent financial condition. While there are real difficulties facing some businessmen, particularly those whose enterprises are small or medium-sized, and those in certain parts of the country, as a whole there is no general financial bar to a steady expansion of business investment.

In order to reverse the present downward trend, and to achieve the rising volume of business investment consistent with an expanding economy, businessmen should grasp the opportunities which lie ahead; and should help to make the adjustments in prices and incomes which will translate potential markets into real markets. The enterprise and imagination of private busi-

nessmen will be a crucial factor in achieving the upward growth of which our economy is capable.

While our primary reliance should be placed upon private initiative, the Government can also help to encourage a reversal of the downward trend of business investment. The tax recommendations I shall transmit to the Congress in the near future will, in addition to providing some net increase in revenue, propose certain changes in our tax structure which will make it more equitable and stimulate business activity.

There is a great need to meet the problems of small businessmen who cannot now obtain adequate financing on reasonable terms. New devices for encouraging private financial institutions to furnish equity capital to small and medium-sized concerns are being studied in the Executive Branch, and I hope to make recommendations to the Congress on this subject during the present session. Meanwhile, I recommend that the Reconstruction Finance Corporation be authorized to increase the maximum maturity of its business loans substantially above the present 10-year limit.

Private housing investment

Housing is one of the major fields in which more investment is required to meet the growing needs of our people. The level of housing construction in 1949 was only slightly higher than in 1925, despite a much larger population. The relative lag of housing technology and various outmoded practices have resulted in a wide gap between the cost of producing good housing and the vast potential market for housing to be found in the needs and desires of families of low and middle incomes.

The housing problem requires a vigorous combination of action by private enterprise and by all levels of government. Reduction of housing costs, through technical progress,

better organization, and improved financing, is imperative. Aside from public subsidized housing, further methods must be found to enlarge the flow of private capital into housing. The Federal Government should supplement the comprehensive housing legislation, enacted last year, with a new program to stimulate the flow of low-cost private money into the development of middle-income housing, mainly through cooperative and other non-profit ventures.

A high level of residential construction is an integral part of a generally expanding economy, and requires not only direct stimulation of investment but also continued growth in consumer purchasing power.

Rent control

While the preceding recommendations aim at the fundamental solution of the housing problem, the increases in rents which would follow a sudden ending of rent control would still create severe hardships in a large number of areas. It would lift the cost of living, impair consumer buying, and complicate the problem of wage adjustments. Therefore I recommend extension of rent control for another year.

Fiscal policy

At the present time the Federal Budget shows a deficit, principally because of the drop in incomes and employment in 1949, the untimely tax reductions in 1948, and the continuing heavy demands of national security programs. As business conditions continue to improve, we should bring Government receipts and expenditures into balance, and provide some surplus for debt reduction, at the earliest date consistent with the welfare of the country.

Despite the current deficit, the fiscal position of the Federal Government is basically strong. If the trend of business continues upward as it should, Federal revenue will

increase. At the same time, under the policies I am recommending in the Budget, Federal expenditures should decline somewhat over the next few years. This movement toward a balanced budget should be accelerated by changes in our tax laws which will reduce present inequities, stimulate business activity, and yield a moderate amount of additional revenue.

This reliance upon a combination of three factors—an expanding economy, all reasonable reductions in expenditures, and a moderate increase in revenues through changes in the tax laws—is the wisest course toward a balanced budget. In the long run, the Government's fiscal position depends upon the health of the national economy. It will not be promoted by drastic slashes in expenditures which are essential to our economic growth and to continued peace. Neither will it be promoted by tax increases so drastic as to stifle business activity. Either action would impair our chances for achieving our major national and international objectives and would threaten further recovery.

Credit policies

To carry out the purposes of the Employment Act, the Government should be equipped, as a permanent matter, with the minimum tools necessary to control the basic factors of credit expansion.

To eliminate the competitive disadvantage of Federal Reserve membership, the authority of the Board of Governors of the Federal Reserve System over bank reserve requirements should be revised. The Board should have broader powers than it now has to increase bank reserve requirements in a period of inflation. This would be a protective measure for the entire banking system, and accordingly should be applicable to all banks insured by the Federal Deposit Insurance Corporation.

The Board's authority over instalment credit ended last June. Since that time the excessive relaxation of instalment terms offered to consumers has demonstrated the need for a restoration of the Board's authority.

I have heretofore pointed out the need for more effective Government supervision over speculative trading on the commodity exchanges. I recommend that the Congress grant more specific and more adequate authority for this purpose.

Farm policy

A generally prosperous economy will do more than all else to help the farmer. As the economy grows, it can absorb an expansion of total agricultural output, provided the necessary shifts in amounts and types of different products are made to meet the needs of a changing peacetime economy. Changes in our farm policy are needed to accelerate these shifts in production, to check the decline in farm incomes which has persisted for more than a year, and to accord to farmers a fair share of the fruits of prosperity. These basic objectives of farm policy call for some shift of emphasis from the support of prices of particular commodities to the support of farm income.

There is also need for additional methods of support. Perishable products, in particular, cannot be supported satisfactorily by loans and purchases alone, and yet these are the products the expansion of whose output is most desirable. I therefore urge that support through production payments be authorized.

Special measures are needed to aid low-income groups in agriculture. These include measures to provide credit and management aids to low-income farmers to help them enlarge and improve their farms. They include programs to provide rural electrification, rural telephones, better farm

housing, and improved opportunity for medical care. In addition, we must continue to improve the education of our farm youth not only to make them more efficient farmers, but also to help some of the underemployed people in agriculture find useful work in other occupations.

Increased emphasis should be given to encouragement of types of farming which are most needed. Research and education, and conservation and credit programs, as well as the Government's support of farm prices and farm incomes, should be directed toward this end.

Developmental programs and community services

After the restraints imposed by war and by postwar inflation, Federal programs for resource development, transportation, education, and health are just beginning to adjust to the needs of an expanding national economy. Even now, the requirements of national security, international aid, and veterans' adjustments are so urgent and so large that progress in developmental programs and community services must necessarily be limited to gradual advancement at a rate below the genuine need.

Nevertheless, we are continuing to expand our investment in the development of our rivers for flood control, navigation, reclamation, and electric power, in the expansion of our highways, and in the development of atomic energy. I again urge early authorization of the St. Lawrence seaway and power project, which should be started as soon as plans can be completed. In most of our major river valleys we do not have satisfactory means for preparing integrated programs of development. I have already recommended, and I again urge, that the Congress authorize the consolidation of a number of Federal activities in the Pacific

Northwest into a Columbia Valley Administration.

Present deficiencies in education and health are so compelling that I repeat my recommendation for new programs. Expansion of public health services, and of enrollments in schools of medicine, nursing, dentistry, and public health, should be started now. The growing number of children of school age cannot be permitted to delay their education. I therefore urge the prompt enactment of aid to elementary and secondary education, and the provision of funds for a survey to determine the extent of the need for school construction. There should also be authorized a limited program to assist capable young people who are now financially unable to secure the higher education essential to the full development of their talents.

Many of the existing procurement, construction, and loan programs of the Federal Government can be adapted, to some extent, to alleviate serious unemployment in particular local areas. The program initiated for this purpose in the summer of 1949 has shown some good results and it will be continued. It is evident, however, that some localities are faced with long-term rather than temporary difficulties and that effective programs to provide permanent solutions need to be worked out. The Federal Government will continue to use all available resources for the aid of such distressed areas and, cooperating with State and local agencies and private groups, will assist in preparing programs adjusted to the long-range problems and opportunities of those areas.

Social security

In our growing economy, there can be no excuse for failure to develop an adequate system for protecting our citizens against economic insecurity. As we produce more,

we can and should make more adequate provision for the aged, those who cannot find work, and others in our society who are in need.

I urge the Congress to act promptly on the recommendations I have made for the extension and improvement of social security. We must move rapidly toward a comprehensive social insurance system protecting nearly all workers—including those employed in farming—and their families against the risks of old age, unemployment, disability, death of the family wage-earner, and illness. The costs of such a system, when measured against the growing output of our economy, are well within our capacity to pay.

The present programs of social security are grossly inadequate. Because of the limited coverage of the present law, and the exhaustion of benefits by many workers, one-third of the unemployed are now receiving no unemployment insurance benefits, and in some areas the proportion approaches two-thirds. Many communities provide no public funds for the relief of jobless workers and their families. There are also several million disabled workers, many with families to support, who are not eligible for public insurance benefits. In some places, they do not even receive public relief. Only 650,000 of the millions of bereaved or broken families with very low incomes are receiving survivors insurance. Only 30 percent of the aged population are eligible for social insurance benefits, which are so meager that few can retire voluntarily. Needed medical care is denied to millions of our citizens because they have no access to systematic and adequate methods of meeting the cost.

The current inadequacy of the social insurance programs is sharply reflected in the disproportionate load now being borne by public assistance programs. Increasing

numbers of the aged, the disabled, and the unemployed have been forced to resort to public assistance. This distorts the original intent of the Social Security Act that people are entitled to security as a matter of right. The burden of public assistance is straining the fiscal capacities of State and local governments. While enactment of proposed social insurance programs will alleviate this problem in the future, provision must be made for dealing with the problem in the meantime. I therefore urge enactment of the proposals which I submitted to the Congress last spring for the extension and improvement of the program of Federal grants to States for public assistance.

International economic programs

We are now in a transitional stage in the development of our international economic policies. Our short-run programs of aid to friendly countries abroad have begun to bear fruit in increased production, expanding trade, and rising living standards. At the same time, the long-range nature of the problems of world production and trade has emerged more clearly, and the need for the United States to play a continuing role in world development through capital and technical assistance has become evident.

The progress already made toward achieving the objectives of the European recovery program and of other short-run aid programs should prompt the continuation of these programs on a basis commensurate with need. To cripple them now would imperil past progress and risk the waste of expenditures already made. I recommend that these programs be extended on a scale sufficient to accomplish the purposes for which they were established.

In the years ahead, we must lay increasing emphasis upon long-run international economic programs. We need to move vigor-

ously toward a world-wide increase of international trade. This will result in larger imports into our country, which will assist other countries to earn the dollars they need, and will at the same time increase our own standard of living. An immediate step in this direction is to approve promptly the proposed Charter for the International Trade Organization, which has been negotiated to establish a code of fair trade practice and a means for steadily improving international commercial relations.

Even the maximum feasible reduction of barriers to world trade would not alone make possible the continued increases in world production and living standards which are essential to world peace. Such reductions are of little immediate benefit to the underdeveloped areas of the world, which cannot produce enough to achieve an export surplus and build up their productive capital. These areas urgently need improved technical knowledge and increased capital investment. The aim of the Point Four program for assistance to underdeveloped countries is to help meet these needs.

To make the most effective use of invested capital, underdeveloped countries require technical assistance. Hearings have already been held by the Congress on the legislation I have recommended to stimulate the interchange of technical assistance. I urge action on this proposal as soon as possible.

The United States has sufficient productive strength to provide capital for investment in productive developments abroad. In order to encourage the private investment of United States funds abroad, I urge the Congress to act promptly on the legislation now before it to authorize the Export-Import Bank to guarantee such investments against certain risks peculiar to foreign investment. Through the negotiation of treaties, the Government is moving to improve conditions

for investment abroad and assure protection for the legitimate interests of United States investors. It will also continue to be the policy of the Government to encourage American investment abroad only when it is carried on in a way that protects the interests of the people in the foreign countries concerned.

I recommend also that certain provisions of the tax laws governing the taxation of income from foreign investments be revised in order to stimulate the flow of American capital abroad.

In addition to its direct contribution to increased production, the technical assistance program should prepare the way for, and stimulate the preparation of, concrete development projects, on the basis of which an increasing volume of private and public investment can be made. It is unlikely that private funds, including those invested through the International Bank, and the present resources of the Export-Import Bank, will be sufficient to meet the need for investment abroad. It will probably become necessary at a later time to increase the lending authority of the Export-Import Bank.

SUMMARY OF LEGISLATIVE RECOMMENDATIONS

I summarize below the legislative recommendations contained in this Economic Report, and urge that the Congress enact them into law:

1. Make some revisions in the tax structure to reduce present inequities, stimulate business activity, and yield a moderate amount of net additional revenue. My specific recommendations on taxes will be transmitted to the Congress at an early date.
2. Enact a new program to stimulate private investment in housing for middle-income families.
3. Substantially increase the maximum

maturity period for business loans made by the Reconstruction Finance Corporation.

4. Improve the protection of farm incomes and encourage needed shifts in farm production, by authorization of production payments and other changes in present legislation.

5. Establish a Columbia Valley Administration, and authorize the St. Lawrence seaway and power project.

6. Provide for Federal aid to elementary and secondary education, for a limited program of aid in support of higher education for capable students, for aid to medical education, for the improvement of local public health services, and for grants to States for surveys of the need for school construction.

7. Extend and liberalize the social security structure by improving old-age, survivors, and unemployment insurance, enacting disability and health insurance, and expanding Federal grants-in-aid to States for public assistance.

8. Extend rent control for another year.

9. Continue the foreign recovery programs on a basis commensurable with need.

10. Approve the Charter for the International Trade Organization.

11. Authorize the program for technical assistance to underdeveloped countries, and for guarantees by the Export-Import Bank against risks peculiar to private investment abroad; and revise certain provisions in the tax laws governing the taxation of income from foreign investments.

12. Provide additional authority over banking reserves to the Board of Governors of the Federal Reserve System; extend that authority to all banks insured by the Federal Deposit Insurance Corporation; and restore the Board's authority to regulate consumer

credit. Provide authority to regulate speculation on the commodity exchanges.

* * * * *

In the Message on the State of the Union, I have stressed the fateful role which the United States has come to occupy in the progress of human destiny. Our responsibilities are already determined by the course of world events. But how well we measure up to these responsibilities remains in our own hands.

Moral leadership comes first, as we seek to inspire free men everywhere with confidence in their cause. But history proves that many great moral purposes have failed or faltered because the material strength to support them was lacking. The economic power of the United States, at its full potential, is the keystone of this support.

The Congress foresaw this when it gave our national economic policy the degree of central significance accorded to it under the Employment Act of 1946. As the deliberations of the United Nations demonstrate, other nations recognize the overwhelming importance to the cause of freedom of wise economic policies and full employment.

Our economic situation today is good, and it can be better. The lessons of the past and the magnificent challenge of the future continue to spur us on. For all to thrive and prosper together, all must work together—with mutual understanding and common purposes. That is the spirit of our democracy. That is the spirit in which I transmit these recommendations to the Congress, and to all those whose actions affect our economy.

HARRY S. TRUMAN

NOTE: The message and the complete report are published in "The Economic Report of the President Transmitted to the Congress, January 6, 1950" (Government Printing Office, 1950, 194 pp.).

7 Exchange of Messages With Michael, Orthodox Archbishop of North and South America. *January 6, 1950*

IN RESPONSE to your appeal, I am glad to assure you that the United States will continue to give the utmost support to the efforts of the United Nations and the international Red Cross organizations to bring about the return to Greece of the thousands of children removed from that country to eastern Europe during the course of the recent guerrilla warfare. The people of the United States, and particularly the mothers of the United States, are deeply sensitive to the plight of these children and their bereaved families. We pray that the Governments of the countries harboring these children will be moved by a spirit of broad humanitarianism to cooperate in fulfilling the unanimous desire of the United Nations

General Assembly that these children be promptly restored to their homes.

HARRY S. TRUMAN

NOTE: Archbishop Michael's message, dated December 28, 1949, follows:

Just from Greece as the new spiritual leader of the Greek-American Orthodox people in your and our prosperous and beloved country, I make today an appeal to the civilized humanity and generous American people for the return to their parents of the abducted Greek children. Our Orthodox people here and in Greece who are so grateful to you and to the American people for all given assistance will count very much on your personality. Will you please exercise all your high influence upon the members of the United Nations so that these Greek children are returned to their homes.

MICHAEL,

Archbishop of North and South America

8 The President's News Conference on the Budget. *January 7, 1950*

[As the conference opened, Charles G. Ross, Press Secretary to the President, made the following statement: "As you all know, this seminar is just for your guidance, for background purposes, and not for attribution. And when you ask your questions, will you please always refer to the page number of the Message."]

THE PRESIDENT. [I.] I would like to tell you first about this group of charts here. Has everybody got one of these charts?

If you will notice, the first chart points out the receipts and expenditures, where they come from and where they go. Then there is this chart here, which shows the reverse of it, the way the distribution of expenditures is made—since 1939—which is exactly reverse—very informative. And the next one shows where the money comes from and where it goes; and the next one is on the same line. That last one is the big one—

where I was pointing to in the pictures they just took—it shows what happens in an emergency like we have been through since 1938. And the last end of that chart shows what we are trying to do to keep from getting that big a hump again.

I want to call your attention particularly to part 3 in this green book, which gives you some idea of the Government's assets and investments made over the years, which has not before been pointed out. All these people that yell about expenditures don't understand that a tremendous amount of the expenditures we make is an investment in the United States of America, and if those investments were not made we would not be on the income basis that we are on now, so far as the individual and the business of the country is concerned.

I think those are all the preliminary remarks that I want to make.

Mr. Ross: Mr. President, may I say again that these remarks are for guidance and for background purposes, not for attribution, which is customary at these seminars.

THE PRESIDENT. He wants me to impress on you that these statements that I make are for guidance and background and not for personal attribution to the President. I think all of you understand that, particularly those who have been here before.

Mr. Pace: You might also ask that when they ask a question that they refer to the page number.

THE PRESIDENT. The Budget Director wants the page number referred to when you ask a question, and it will make it easier for us to answer. You can proceed now.

[2.] Q. Mr. President, on page M78 (p. 99)¹ you have a reference to Federal reinsurance for unemployment compensation, I believe the amount is about \$12½ million. Does that represent an amount of money to be actually made available for payment of unemployment compensation benefits?

THE PRESIDENT. The Budget Director will answer that. I wish you would stand up when you ask your questions so that we can hear you better.

Mr. Pace: Could you repeat that question, please?

Q. Yes. On page M77, M78, M85, and A83 (pp. 99, 100, 105) you will find references to a Federal reinsurance program for unemployment compensation, part of that administration, part of it compensation. I wonder whether the bulk of that is money

actually to be made available to pay unemployment compensation benefits?

Mr. Pace: The answer to that is it would be, if the States need it.

Q. It wouldn't?

Mr. Pace: Would be.

Q. In that answer, how can you tell me how much is administration and how much for benefits?

Mr. Pace: Almost entirely for benefits.

[3.] Q. Now, you mention that there are one or two States where the reserve may be exhausted by next fall, or shortly thereafter. Would you name those States?

Mr. Pace: We can give you those over in the office, when you come over.

Q. Thank you.

[4.] Q. Mr. President, on page M21 (p. 57), under assistance to China, you have got nothing down for 1950, and, if I have got the right program, I think Congress voted 75 million. Is this an indication—

THE PRESIDENT. Yes, I have still got that \$75 million locked up in the drawer of my desk, and it is going to stay there. [Laughter]

John² says he might break the desk down.

[5.] Q. Mr. President, I would like to ask one for the record. How much is a moderate tax increase?

THE PRESIDENT. I will answer that question in the tax message, in language so that you can understand it without a bit of trouble.

Q. Mr. President, when does the tax message go to Congress?

THE PRESIDENT. We are preparing it right now. I hope it will be ready in a few days.

Q. Will it go Monday?

THE PRESIDENT. I can't—no, it won't go Monday. This message only will go down on Monday.

Q. What I mean is, we are writing stories

² Secretary of the Treasury John W. Snyder.

¹ Page references in parentheses, throughout this news conference, indicate where the subjects referred to may be found in the Budget Message as printed in Item 9, below; all other page references correspond to the page numbers in the Budget as published in House Document 405 (81st Cong., 2d sess.).

today on the budget. Will the tax message come along Monday to change the lead for the story?

THE PRESIDENT. No, no. You spend your time on the budget, and there will be plenty of time to work on the tax message. We are going to have it ready just as promptly as we can.³

[6.] Q. Mr. President, on occupied relief—ERP—how much is ERP in this 3,250,000—3 billion—that is, M21 (p. 57)?

Mr. Pace: The answer to that is that the German relief is included in ERP this year. Last year it ran approximately 400 to 450 million. This year, then, would obviously run slightly less than that if it were set out as a separate category; but it is included in ERP operations this year.

Q. That would reduce ERP about 2 billion, eight?

Mr. Pace: If it were set out independently—I can't specify exactly how much goes for Germany because there would be some reduction last year. If you used last year's figures it would make it about that amount, but that is not an exact figure for this coming year.

Q. What is the correct figure, then, to use for the amount to be asked for, for ERP for the economic—

THE PRESIDENT. It is set out right there.

Mr. Pace: The figure set out here, because that is one of ERP's responsibilities this year. In other words, if you were going to show that Germany was actually included in ERP, you could state what part of the actual figure of ERP is the one set out here.

[7.] Q. Mr. President, on page M36 (p. 68), the last sentence of the next to the last paragraph is very interesting: "We should provide through the veterans' programs only for the special and unique needs of vet-

erans arising directly from military service." Can that be taken as a recommendation to repeal laws concerning nonservice-connected disabilities?

THE PRESIDENT. That sets out exactly what it means right there.

Q. That would very greatly reduce veterans administration costs?

THE PRESIDENT. Not very greatly. It would reduce it, to some extent, but it would prevent it from piling up at a terrific rate, which we anticipate later.

Q. Would also relieve largely the pressure on veterans hospitals?

THE PRESIDENT. Yes, to some extent it would.

Q. Thank you, sir.

Q. On that very point, is this not an argument against general pension legislation?

THE PRESIDENT. Yes. Yes, that is exactly what it is for. That is exactly what it is for. We would all be paying pensions to ourselves if this thing gets spread out too thin. The Budget Director calls attention to the fact that it has been the policy all along, that sections of the GI bill of rights legislation to stop—heads off the general pension plan. I think it has done a remarkable job for the returned veterans, and I think they all think so, too.

[8.] Q. Mr. President, this—the question of policy, do you have any personal objection, or any administrative objection, to Congress handling your Budget in a single appropriation bill?

THE PRESIDENT. The Congress has been discussing that matter for quite some time. I would be perfectly happy if they would take this budget and pass it as a whole, just like it is. [*Laughter*]

Q. Mr. President, that was hardly the intent of the question.

³ Item 18.

THE PRESIDENT. I didn't understand you?

Q. That was hardly the intent of the question. *[More laughter]*

Q. Mr. President, you said you were going to submit about \$7 billion in estimates later, and about \$33 billion at this time. I think that is—

THE PRESIDENT. No, this is the budget right here before you. This is the budget we—that we are submitting. This is the budget document here that goes to Congress. I don't think there is anything in addition to this green book.

Q. My question was, how would that affect the single package appropriation bill?

THE PRESIDENT. I don't think it would affect it at all. I don't think it would affect it at all. That is a matter for Congress itself to decide. I can't tell them how to handle the budget. All I am interested in is that they don't treat it as they did last year. A lot of them have to be elected this year and they had better get that appropriation bill through in a hurry.

[9.] Q. Mr. President, will you accept a single package bill with the item veto?

THE PRESIDENT. I have always been in favor of the item veto. It requires, I understand, a constitutional amendment to have an item veto, and I don't think there is any possible chance of getting that in this budget, or any other one for several years to come.

[10.] Q. Mr. President, getting back to the overall figure, please, on page M5 (p. 45)—the digest figures for the 1951 budget.

THE PRESIDENT. Yes?

Q. 42,439—that is existing and proposed legislation?

THE PRESIDENT. That's right. That is the whole thing, existing and proposed legislation.

Q. That, of course, does not include the

social security collections and payments?

THE PRESIDENT. Oh no, that is a separate account.

Mr. Pace: It does include railroad retirement.

Q. It does include it?

Mr. Pace: It does include railroad retirement. That is included in the trust funds.

Q. Then the 37.3 of revenue is without any anticipated change in the—without change in the existing—

THE PRESIDENT. That is correct.

Mr. Pace: That is correct.

THE PRESIDENT. What is it?

[11.] Q. Mr. President, on page M43 (p. 73), in relation to social security, you say, "The greater part of them would be financed through special taxes. . . ." What kind of special taxes do you mean?

Mr. Pace: Payroll.

THE PRESIDENT. Payroll taxes, that is what is referred to.

Q. Payroll taxes?

THE PRESIDENT. That's right.

Q. Mr. President, page M48 (p. 77), you propose that a payroll tax of one-fourth of 1 percent be placed on employers and employees effective January 1, 1951. Does the receipts side of the cash budget reflect that increase, and the increase in health insurance?

THE PRESIDENT. Budget will have to answer that.

Mr. Pace: The answer to that is that it would be reflected in the cash budget, but would not be reflected in this budget, which is known as the conventional type budget.

Q. But it is reflected in the cash budget that you have in the statement?

Mr. Pace: That is correct, yes. That is correct.

[12.] Q. Mr. President, on pages M68 and M69 (pp. 92, 93), there is a discussion

of the high subsidies for the United States Maritime Commission for shipbuilding. My question is whether the issue, or whether the subject of the effect of the deflation of British currency on shipbuilding and shipbuilding subsidies was considered in summing up this question?

THE PRESIDENT. We work in American dollars entirely.

[13.] Q. Mr. President, on that—right across the page, M69 (p. 93)—you have got proposed legislation for the postal deficit, 395 minus. Apparently that refers to legislation for increasing the postal receipts on mail, not subsidies?

THE PRESIDENT. That's right.

Q. Have they worked that out yet?

Q. It was 250. You said that was not enough.

THE PRESIDENT. No, it is not enough. It is increasing all the time—all the time.

Q. Have you worked that out?

THE PRESIDENT. The Postmaster General, I think, has the figure all ready to send to the Congress.

Mr. Pace: I think he is working on it at the present time.

THE PRESIDENT. The Budget Director says that the Postmaster General is working on it at the present time, but I have discussed the matter with the Postmaster General and I know that he is going to ask for what it takes to meet that deficit.

Q. Have you talked to the congressional leaders about it?

THE PRESIDENT. Yes, I have. And I have also talked to a number of newspapermen, and some commentator fellows, and fellows who have the right idea think that it ought not to be a subsidy. The thing has run at nearly \$3 billion over the last 20 years. Those fellows using the subsidies—that's all right for them—but they yell about some other subsidies. I think they, too, ought to be met. [*Laughter*]

[14.] Q. Mr. President, this is probably a question for the Budget Director: what is the cash budget?

THE PRESIDENT. We have that argument every year. The cash budget is what—the cash payments—

Q. I mean the figures.

THE PRESIDENT. —that the Government has to pay out—that the Government has to pay out over previous years.

Q. You didn't understand my question properly.

THE PRESIDENT. All right, give it to him.

Q. The overall figure, outgo and income?

THE PRESIDENT. All right, we will give it to you.

Mr. Pace: If they will go on with the questions—

THE PRESIDENT. Go ahead with the questions. As soon as we get the figures we will come back and answer you.

[15.] Q. M85 (p. 105)—Inland Waterways Corporation—\$3 million—I can't find it in the big budget.

THE PRESIDENT. It must be in there.

Q. No, it isn't—550 in the big budget. It is apparently new legislation?

THE PRESIDENT. On M85?

Q. Under Transportation and Communication—Inland Waterways Corporation—estimated expenditures—\$3 million?

Mr. Lawton: That is to raise capital stock.

Q. What are you going to do with it?

Mr. Lawton: Improve facilities of the Inland Waterways Corporation.

Q. That has not been approved by Congress—not authorized?

Mr. Lawton: Not yet.

Q. It has not been authorized?

Mr. Lawton: No.

THE PRESIDENT. I don't think it has been authorized, but we are asking for it here.

[16.] Mr. Pace: The answer to the previous question, Mr. President, is that the whole figure is set out on page A117—the

whole summary and supporting tables—on table 13 on page A117 of the cash budget. That will answer not only your final question but any detailed questions, on page A117.

Q. \$45 billion against \$43 billion?

Mr. Pace: That's right.

Mr. Lawton: That's correct.

[17.] Q. Mr. President, on page M85 (p. 105), on your proposed legislation there is an item of half a million dollars for research in utilization of salt water; and on another page, under national resources, the same item is listed at a million dollars. I wonder if those could be reconciled?

THE PRESIDENT. Can you reconcile them, Mr. Budget Director?

Mr. Pace: The answer on that is that unfortunately in your tables you have to round the figures, and this is purely a question of rounding. The statement and your tables is a rounded figure. The statement in your direct quotations is an accurate statement.

Q. Which one is the one that will be used, Mr. Pace?

Mr. Pace: The one in the text and not in the tables.

Q. The one not in the list of proposed legislation?

Mr. Pace: That is correct.

Q. That would be a million dollars, then?

Mr. Pace: That is correct—that is correct.

[18.] Q. Mr. President, can you tell us the figure of the national income?

THE PRESIDENT. \$212 billion.

Q. Is that for both fiscal 1950 and 1951?

Secretary Snyder: That is correct. Average annual personal income paid to the individual.

Q. 212?

Secretary Snyder: 212.

Q. Is that for fiscal—

Secretary Snyder: 1951, and also in the adjusted figure for 1950.

[19.] Q. Mr. President, what is the probable figure on total national output on what we call national income? That is a different figure from the personal income figure.

THE PRESIDENT. That includes corporations, and everything. I think the total figure includes all income—this is personal income.

Q. Comparable figure to the one used in the Economic Report?

THE PRESIDENT. Between 255 and 260 would be your figure that you are talking about.

[20.] Q. Right along that line, what level of employment or unemployment are you assuming?

THE PRESIDENT. That is set out in the Message on the State of the Union, and I would invite you to read it.⁴

Q. Yes, sir.

[21.] Q. This budget, then, is predicated on no change in personal or national income in this coming fiscal year?

THE PRESIDENT. That is correct, at present levels.

Q. At present levels.

[22.] Q. Mr. President, is your ERP given here a final estimate, or is that subject to change?

THE PRESIDENT. It is subject to change, of course.

Q. Well, Mr. President, you said it's on present levels. On A4—

THE PRESIDENT. A4?

Q. Yes—direct taxes on individuals is higher in 1951 estimate than in 1950 estimate. Apparently you think 1951 is going to be better than 1950?

THE PRESIDENT. Well, I hope it will be.

Q. You just said it was based on 212?

THE PRESIDENT. Right.

Q. Well, how do you get the difference?

Secretary Snyder: Well, there are a number of adjustments there that in the 1950—

⁴Item 2.

in making the adjustments, that changed the taxes.

Q. It might be that you had a coal or steel strike which would cut down corporation incomes in 1951?

Secretary Snyder: We certainly don't want one.

Q. Has that been taken into consideration?

Secretary Snyder: That has been shown in the corporate profits, and in the individual incomes.

[23.] Q. Mr. President, I need clarification on page M84 (p. 104)—estimated expenditures for European recovery. The figure is given as 1 billion, 7.

THE PRESIDENT. I didn't understand your question. Please repeat it.

Q. I would like to have clarification of the figure of 1 billion, 7—estimated 1951 expenditures on European recovery program and other foreign aid?

Mr. Pace: That is the part that comes out of the new appropriations. The other is carryover appropriation, making the two totals the same. In other words, this is the new part that will come out of the new appropriation. A large part will be carryover from old appropriations. Thus a million, 550 will be a carryover from old appropriations. This will be the amount of expenditures that will come out of appropriations asked this year.

Q. Thank you.

Q. Mr. President, then the only new money is that on page 1, I guess it is—40 billion—

THE PRESIDENT. Which page is that?

Q. M5 (p. 45), I guess.

THE PRESIDENT. That's right.

Q. One more question, is that \$25 million item in there the only immediate expenditure contemplated for point 4?

THE PRESIDENT. Yes.

Q. \$45 million.

THE PRESIDENT. Yes.

Q. Thank you.

THE PRESIDENT. The Budget Director calls attention to the fact that the operational figure for 1951 is substantially below the operational figure for 1950—about \$3 billion—which would have its effect on future years.

Q. Mr. Pace, could I come back to that question about that billion, 7 on ERP? I am still mixed up about that. Does that billion, 7 come out of the 3 billion, 1 total new appropriations?

Mr. Pace: That's right. That's right. That is the part that will be expended out of that cash payments. That's the distinction between these payments and appropriations. Thus, appropriations for the 3 billion, 2 and the 1 billion, 7 is the amount of money that will actually be paid out in the year 1951 out of that new appropriation.

Q. Where does the balance come?

Mr. Pace: The balance comes from 1950.

Q. From the 1950?

Mr. Pace: That's right. It's a carryover there, as it always is, which is the really confusing thing about this Federal budgetary process.

[24.] Q. Do you have an expenditure breakdown for the Army, Navy, and Air Force?

THE PRESIDENT. Yes.

Q. There is an appropriation breakdown which I couldn't find—an expenditure breakdown.

THE PRESIDENT. You will find a table in there—when I was running through it last night—I think table 8 covers it. You will find that under different headings in all the Government. You will find it under table 8.

Mr. Pace: Table 8—A63.

THE PRESIDENT. 63—A63—you will find all those things covered in every branch of the Government in table 8.

[25.] Q. Mr. President, on M18 (p. 54),

second paragraph, "In 1951, about \$2.5 billion of the increase in the debt will be financed by new investments in Federal securities by trust accounts and other Government agencies." Does that mean that 2 billion, 5 will be asked by public financing? Is that the only other way you can get it?

Secretary Snyder: That is the difference, yes.

Q. New public financing?

Secretary Snyder: That is correct.

Q. Will the war bonds meet that, or will that—not war bonds, savings bonds—

Secretary Snyder: Savings bonds.

Q. Yes.

Secretary Snyder: We have not determined what category—whether short term, long term, or intermediate term, but—

Q. Public.

Secretary Snyder: —if the necessity for additional funds comes up, we will give consideration to additional types of securities.

Q. Mr. Secretary, you will expect the savings bonds to take as much of that as possible, will you not?

Secretary Snyder: Well, the savings bond is of course part of our overall financing program, and they have been effectively carrying a pretty good part of the general distribution of our sales, because up to right now we are still selling more savings bonds than the redemptions are taking out.

Q. On page M—

Secretary Snyder: We are not using savings bonds to any specific purpose. It is just part of the general revenue of the budget.

THE PRESIDENT. What is it you want to ask?

[26.] Q. M₃₁ (p. 64):—"While no new obligational authority is recommended in this Budget" for ships—new ships—I imagine they go 2 or 3 years ahead, don't you, on laying keels, etc.?

THE PRESIDENT. Yes.

Q. But no new ships contemplated under the budget?

THE PRESIDENT. That is correct—that is correct.

[27.] Q. Mr. President, is there anything in the message to indicate when you expect to balance the budget, in what year?

THE PRESIDENT. No. No, I am not that much of a prophet.

[28.] Q. Well, Mr. President, the Budget Director said that the obligations would be about \$3 billion—request for obligations—about \$3 billion less than last year. Can you give us a breakdown on which specific items were cut down?

Mr. Pace: I can't give it to you here. I can give it to you over at the office. I think probably it is set out in the table here.

THE PRESIDENT. It's in one of these tables—I saw it—but I can't remember which one. It is set out in one of those tables.

Mr. Pace: If you will take a look at table 3—pardon me—on pages 96 and 97—it will give you the general picture. Take a look at the recap on A7, it will give you the figures you need.

[29.] Q. Mr. President, in looking over Treasury, I was unable to determine any item that would show the cost of the silver purchase program during the year. Is that broken down in any way in the budget?

THE PRESIDENT. Did you use those figures?

Mr. Pace: We haven't got a breakdown of that in here, no.

[30.] Q. How much additional revenue, Mr. President, would the proposed payroll tax increase on January 1, 1951, bring in?

THE PRESIDENT. I can't tell you offhand, I don't know. The Budget Director can get it for you.

Mr. Pace: Yes, I can get that.

[31.] Q. Mr. President, on page M₁₈ (p. 54), coming back to the reference to \$2½ billion, new investments by Govern-

mental agencies, does that mean that the proposed tax increase would have an upper limit of 2.6 to meet the 1.1 deficit?

THE PRESIDENT. I will answer that in the message on taxes which I am getting ready right now.

[32.] Q. Mr. President, on page A49, Federal Security Agency, public health, aid to local public health, etc., are those figures all based on the three bills now in the Congress?

Mr. Pace: That is correct.

THE PRESIDENT. That is correct.

Q. Will you have that again?

THE PRESIDENT. You wanted to know if these figures for the public health on page A49 were based on pending legislation? They are.

Mr. Pace: That is correct.

[33.] Q. Mr. President, on page 1114, the special section you refer to in the beginning—

THE PRESIDENT. Yes.

Q. —on investments, you have a figure in the first paragraph of page 1114 of 8.7 billion for Federal assets. In your message on page M12 (p. 49), you have a figure of 5.6 billion. Is the only difference that the military public works are excluded?

THE PRESIDENT. The budget will have to answer that for you.

Mr. Pace: Military public works and equipment are excluded.

Q. That is the only difference?

Mr. Pace: That's right. Although they are returnable, they are separated for the purposes of determining what actually is a return on the investment.

[34.] Q. Mr. President, I would like to get this cleared up. On page M57 (p. 84), about two-thirds down the page, "As a step toward correcting this situation, I shall transmit to the Congress a legislative proposal to authorize a limited Federal program to assist capable youth who could not otherwise do

so to pursue their desired fields of study at the institutions of their choice." Those are Federal scholarships?

THE PRESIDENT. M57? Wait a minute, I haven't found it yet.

Q. About two-thirds down.

THE PRESIDENT. "This Budget includes—"

Q. No, the sentence above that.

THE PRESIDENT. "As a step toward correcting this situation, I shall transmit to the Congress a legislative proposal to authorize a limited Federal program to assist capable youth who could not otherwise do so to pursue their desired fields of study at the institutions of their choice." This is about as plain as I can make it.

Q. Federal scholarships? That's a new one on me.

Mr. Pace: It's higher education.

Q. I know. College education.

Mr. Pace: That's right.

Q. Any plans worked out for that—who will get it?

THE PRESIDENT. No.

Q. How it will be distributed?

THE PRESIDENT. The details have not been worked out.

Q. Has the amount been decided on?

THE PRESIDENT. No. The exact figure has not been worked out.

Q. Going to be, then, a sort of information on the national education?

THE PRESIDENT. When we get the details worked out, I will give it to you in a printed statement of what I hope to do.

Q. Does the budget include that figure, sir?

THE PRESIDENT. A million dollars. Includes a million dollars.

Q. Only a million?

THE PRESIDENT. That's right.

Mr. Pace: That is just to establish the organization.

Q. How many do you expect to take care of?

THE PRESIDENT. That is to set up the organization. Don't expect to take care of a one.

Q. Well then, will that not be, sir, an additional budget figure, an additional appropriation upon the budget?

THE PRESIDENT. It might be. Whenever it gets into operation. Of course, it is not in this budget. I don't think we will have any call for it in this budget. But it will be added to the budget whenever we are ready to operate.

Q. In other words, operations will begin after fiscal year 1951?

THE PRESIDENT. I think so. 1952. It sets out in M57 (p. 84) that it might begin in fiscal year 1952.

Q. Mr. President, Mr. McGrath⁵ of the Office of Education has recommended \$300 million for that program annually. Are you prepared to go that high for it?

THE PRESIDENT. I am not prepared to make any statement on the subject now.

[35.] Q. Mr. President, on page M29 (p. 63), you refer to the maintenance of six Marine Corps battalion landing teams. Does that indicate a change in the status of the two divisions?

THE PRESIDENT. Will you repeat that question?

Q. On page M29 (p. 63), you refer to maintaining six Marine Corps battalion landing teams. Does that indicate abolishment of the two divisions they now have?

THE PRESIDENT. I think you will have to ask that question of the Secretary of Defense. I myself can't answer it.

[36.] Q. Mr. President, on M80 (p. 101)—that chart—Bureau of Internal Revenue, Treasury—\$253 million—is that for the checking up of income tax returns?

THE PRESIDENT. That's right. It's for enforcement. Additional employees for enforcement.

⁵Earl J. McGrath, Commissioner of Education.

Q. That is a—it has not been authorized has it, that is my recollection?

THE PRESIDENT. It has been asked for in present appropriations, but it has not been authorized yet.

Q. Mr. President, is that 3,000 additional employees?

Secretary Snyder: Approximately 3,000. It's 2,960, something like that. Approximately 3,000.

THE PRESIDENT. It will be a good investment for the Government. I think we will take in a billion or a billion and a half more in taxes if we get that through.

[Long pause here]

What's the matter with you people this morning? [Laughter] Is this thing so plainly gotten up that no questions are necessary? Go ahead back there?

[37.] Q. Mr. President, on M18 (p. 54)—

Q. Mr. President—

THE PRESIDENT. Just a minute. What's the page now?

Q. M18—on the Public Debt—do you have any idea how high you can go with safety on that?

THE PRESIDENT. There are a lot of guesses on that, as high as 278—280, the Secretary of the Treasury says.

Secretary Snyder: I have been trying my best to get to the point where we can pay some of that debt off.

THE PRESIDENT. We did pay \$26 billion on it, if you remember, but a certain Congress came along and raised Cain with it—

Q. Which one was that?

THE PRESIDENT. —but we are going to make it, some day.

Q. Mr. President, regarding the public debt, what do you regard as a danger point?

THE PRESIDENT. I have no statement to make on the subject. I remember when I was in the Senate of the United States I heard distinguished Senators get up and say

that whenever the national debt had reached \$110 billion the country would go bankrupt and we would all go to hell—and we didn't. And I don't think we will now, either, under present conditions.

[38.] Q. Mr. President, if you get those additional 3,000 Treasury agents, would you be able to collect that additional billion or billion and a half in 1951, or would it take longer?

Q. Louder!

Secretary Snyder: Will you repeat that question, so that they can hear it?

Q. Whether you—if you get the additional 3,000 Treasury agents, would you be able to collect the additional billion to a billion and a half in taxes in fiscal 1951?

Q. We still can't hear. [*Laughter*]

Secretary Snyder: He asked the question that if we got the additional 3,000 men in the Internal Revenue, would we be able to collect an additional billion dollars in fiscal 1951. I will have to point out that as we progressed beyond the war period, when we had the excise tax situation, and a lot of black marketing, that the enforcement people had a luxury field in which to collect additional revenue. We will have to put on additional people and work harder now to contact more people to collect less money. It is going to be a difficult proposition to collect as much undeclared revenue—yes—undeclared revenue—now, with more people, than it was with fewer people a year or two ago.

We are going to—we have put on a net of 4,100 people within the past 6 or 8 months, and with these additional people made available to us through appropriations we are going to put on a very strenuous campaign. We cannot estimate exactly what the additional revenue would be with those people, because of the changing conditions, but we know that it will net out a great deal more than if we did not have those people.

Q. Mr. Secretary, how much do you estimate the costs on collecting each year, in revenue?

Secretary Snyder: We have no way of estimating that.

[39.] Q. Mr. President, on page M9 (p. 47), you say "we can and should make now some of the changes which are needed in our tax laws, and bring nearer the time when the budget can be balanced." I believe there are also similar phrases in the Economic Report?

THE PRESIDENT. Yes, we go into detail on that in that message I am promising you.⁶

[40.] Q. I was going to ask you about taxes. I was going to ask if you have a goal when you hope the budget will be in balance?

THE PRESIDENT. I want it balanced as soon as possible, and I can't set a date on it, as I said awhile ago. Of course I am as anxious to have it balanced as anybody in the country.

[41.] Q. Mr. President, on page M82 (p. 102)—that civil rights program: "In addition to the amount provided for establishing a Fair Employment Practice Commission, there is included \$800,000 as the amount needed under proposed legislation to establish a permanent Commission on Civil Rights." I thought they had abolished that Fair Employment Commission?

THE PRESIDENT. It has been abolished, but I am asking them to reinstate it. I am asking for it to be set up again in the civil rights legislation.

Q. It says "proposed." Has it already been proposed? I don't remember it.

THE PRESIDENT. Yes, it has been proposed.

Q. By you?

THE PRESIDENT. Yes. I think if you will read my message on civil rights you will find it's in there.⁷

Q. It may be so, there are a lot of things

⁶ Item 18.

⁷ See 1948 volume, this series, Item 20.

in that message. [*Laughter*]

[42.] Q. Mr. President, on page M51 (p. 79)—RFC—

THE PRESIDENT. M51?

Q. —on the bottom of the second paragraph, "I am recommending an additional \$500 million in public debt authorizations in fiscal year 1950, and \$250 million in 1951." What is that, a direct entrance into the public debt of that borrowing—in other words, increasing the public debt directly in the 2 fiscal years of 750 million?

Secretary Snyder: It is a method of financing those programs.

THE PRESIDENT. The Secretary of the Treasury says that is a method of financing those programs.

Q. What I am getting at, sir, is how do you translate public debt authorizations?

Secretary Snyder: That would be the sale of Government obligations to the public.

Q. In other words, a direct entrance into the public debt?

Secretary Snyder: That's right.

[43.] Q. Mr. President, page M27 (p. 61)—in the National Defense section—reference to a reduction in new obligational authority. Are the details of that available in here?

THE PRESIDENT. You will find them—set out specifically in table 8 that has to do with that part of the budget.

[44.] Q. Mr. President, why, in your Military, were not the atomic energy and stockpiling included in it as the military—

THE PRESIDENT. Because I don't think they properly should be included in that. We have a special setup for the atomic energy proposition, and the stockpiling is for the general welfare of the whole Government. Stockpiling is included, but I don't think it is necessary that it should be.

Mr. Pace: Stockpiling is in the military.

[45.] Q. Is there a budget item, Mr. President, to cover universal training?

THE PRESIDENT. No.

Q. Why not? You recommended it.

THE PRESIDENT. I still recommend it, and I am still for it. I have been recommending it ever since October 1945.⁸

Q. How much would it cost if you got it?

THE PRESIDENT. I estimate it as \$800 million.

Q. If you got it, would it increase the deficit that much?

THE PRESIDENT. Yes.

[46.] Q. Is there an item in here anywhere—I can't find it—for going forward with that radar net development?

Secretary Snyder: Yes. That is in the Treasury appropriation—Coast Guard.

THE PRESIDENT. Coast Guard, under the Treasury, so the Secretary tells me.

Mr. Pace: It is included, the radar fence, in the Department of the Air Force. It is included in here as well as the one mentioned by the Secretary of the Treasury.

Q. How much is that item?

THE PRESIDENT. I can't answer offhand. The Budget will have to hunt it up.

[47.] Q. Page M44 (p. 74)—social security—social welfare, health and security—proposed legislation under the Federal Security Agency—under promotion of public health—if I remember correctly, last year you listed a tentative figure of 800 million for a proposed health program. I notice that is not there this year. Do you concede that there is no possibility of enacting that program?⁹

THE PRESIDENT. No, I don't concede it, and I am going to fight for it as long as I am President. And I am going to get it, one of these days.

Q. This year?

THE PRESIDENT. In 1947, the Budget Director says.

⁸ See 1945 volume, this series, Item 174.

⁹ See 1945 volume, Item 192, and 1949 volume, Item 85, this series.

Mr. Pace: If you look, you will see it.

[48.] Q. You mention the subject of taxes in three messages—

THE PRESIDENT. I beg your pardon?

Q. You mention the subject of taxes in three messages, but I don't recall your saying anything about an increase in taxes. Did you say anything about taxes being—

THE PRESIDENT. I am going to tell you all about it when we get this tax message ready. It will be ready in a few days.

Q. You say in a few days, sir?

THE PRESIDENT. Yes—few days. It won't be ready Monday. That is only 2 days off.

Well, gentlemen, I appreciate your interest in this, and I want to say to you that the Budget Bureau and the Treasury will be available to answer any further questions that you may have to ask. We are glad to do it—glad to give you all the information possible in connection with this tremendous

pile of figures. We have tried to make it as plain and to set it out in as simple language as possible. I think myself that it is the best budget statement that has been gotten out since I have been President. Thank you very much.

Voices: Thank you.

THE PRESIDENT. Oh, the Budget Director wants me to call your attention to page M13 (p. 51), the Management Improvement Program. I hope you will read that very carefully. That is the first time it has been in the budget.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and eleventh news conference was held in the Movie Projection Room in the East Wing of the White House at 10:05 a.m. on Saturday, January 7, 1950. The President was assisted in presenting information on the budget by John W. Snyder, Secretary of the Treasury, by Frank Pace, Jr., Director of the Bureau of the Budget, and by Frederick J. Lawton, Assistant Director of the Bureau of the Budget.

9 Annual Budget Message to the Congress: Fiscal Year 1951.

January 9, 1950

[Released January 9, 1950. Dated January 3, 1950]

To the Congress of the United States:

I am transmitting my recommendations for the Budget of the United States for the fiscal year ending June 30, 1951.

This Budget is a statement of the financial program for the United States Government, under both existing laws and new legislation which I am recommending to the Congress. It is an expression, in financial terms, of the actions this Government can and should take at this time to build toward economic growth and the expansion of human freedom, in our own country and in the world.

For the fiscal year 1951, Budget expenditures under this financial program are estimated at 42.4 billion dollars, about 860 million dollars below estimated expenditures for

the current year. Budget receipts under existing tax laws are estimated to be 37.3 billion dollars, a decrease of about 460 million dollars below the present year. The estimated Budget deficit for the fiscal year 1951 is thus 5.1 billion dollars under present tax laws, compared with an anticipated deficit of 5.5 billion dollars in the fiscal year 1950.

I shall shortly recommend to the Congress certain adjustments in our tax laws which will produce some net additional revenue in 1951, not reflected in this Budget. These adjustments will result in a larger revenue increase in subsequent years.

A reduction, greater than that in expenditures, has been made in the requests for new appropriations and other obligational au-

BUDGET TOTALS

[Fiscal years. In millions]

	1949 <i>actual</i>	1950 <i>estimated</i>	1951 <i>estimated</i>
Receipts.....	\$38,246	\$37,763	\$37,306
Expenditures.....	40,057	43,297	42,439
Deficit.....	—1,811	—5,534	—5,133

NOTE.—Estimated receipts exclude new tax proposals.

thority in 1951. Expenditures occur when the Government pays its obligations, and the Congress grants authority to incur obligations when it enacts appropriations, contract authorizations, and authorizations to borrow from the Treasury. The authority to incur new obligations which I am recommending for the fiscal year 1951 totals 40.5 billion dollars, considerably below the 1950 level. This fact is significant as an indication that the downward trend in expenditures from 1950 to 1951 may be expected to continue.

This financial program provides a sound basis on which to proceed. It will properly support the extraordinary responsibilities of the Federal Government, both at home and abroad, and at the same time meet our obligation to pursue a policy of financial prudence and restraint. Such a policy must be directed at producing a surplus as soon as possible under favorable economic conditions. The reductions in expenditures, which I recommend, can be achieved and still permit our Government to carry on its necessary operations effectively. The moderate increase in revenue, which I shall recommend in conjunction with specific tax reforms, can be achieved without impairing continued economic progress.

In preparing this Budget, I have carefully evaluated the possible alternatives in the light of the realities of our present situation. The soundness of a fiscal program cannot properly be judged simply by the year-to-year change in the expected margin between re-

ceipts and expenditures. A prudent program must meet much broader tests, if it is to serve the long-range interests of our people.

The soundness of a fiscal program must first of all be judged by whether it allows the people, through their Government, to meet the demands which the foreign and domestic situations put upon them. The necessary functions of the Government in our complex society are varied and widespread. They require large expenditures but they are vital to our security, to the protection of our liberties, to continued social and economic progress, and to the welfare of our people. I have reviewed the expenditure programs in the Budget, one by one, and found them necessary to achieve these purposes. I am confident that the Congress will come to essentially the same conclusion.

The soundness of the Government's fiscal program must also be judged by its impact on the economy. The Federal Budget is a substantial part of the total flow of incomes and expenditures in our country each year. Federal receipts and expenditures must both be planned to encourage the prosperity of the economy and keep it healthy and growing. Irresponsible and short-sighted budgetary action could contribute to a worsening of the world situation and to a decline in production and employment in the United States. Under either of these circumstances, we would find ourselves faced by the necessity of Budget outlays much larger than

those I am proposing, while the prospect for increased revenues would be much less encouraging. I am convinced that the recommendations I am making, both for expenditures and for revenues, will contribute to continued economic development.

The soundness of a fiscal program must be judged, finally, in the light of where that program will take us over a period of years. This is partly a matter of necessity: most Government programs are based on a time schedule extending over a number of years, and a large part of the Budget in any one year represents binding commitments to spend established in previous years on the one hand, and tax liabilities already incurred on the other. It is primarily a matter of wisdom: sharp and arbitrary changes in Government programs, even where feasible, involve economic loss and dislocations, and may cause serious damage to parts of the economy. I am confident that the fiscal recommendations provide a solid basis for moving toward budgetary balance in the next few years. My confidence is based on three main considerations.

First, it has been possible to reduce anticipated expenditures for the fiscal year 1951 by close to 1 billion dollars below the estimated level for 1950, and an even greater reduction has been made in the request for new obligational authority. Thus, the policies followed in preparing this Budget will permit further reductions in subsequent years. Specifically, the largest item in the Budget, national defense expenditures, is expected to approximate the 1951 level in the next few years; and the costs of our foreign aid and veterans' programs should continue the decline already expected between 1950 and 1951. It should also be possible in future years to reduce the cost of programs which have helped to meet the postwar transition problems of specific major areas of our economy, notably the support of agri-

cultural prices and the creation of an adequate secondary market for housing mortgages. Finally, if the Congress enacts the proposed increase in postal rates, the burden of the postal deficit on recent Budgets will be largely eliminated.

The programs mentioned above constitute the bulk of the Federal Budget. With respect to other programs, relating primarily to domestic activities, Federal responsibilities will increase as the Nation grows. But the additional budgetary requirements for these programs, under a prudent fiscal policy, should be substantially less than the decline to be expected in the extraordinary postwar programs. In this connection it should be emphasized that the urgently needed insurance measures which are recommended in the fields of unemployment compensation, old-age security, and medical care will be primarily financed by special taxes designed to defray their costs.

Thus, assuming continued favorable economic and international developments, it is possible to plan on further reductions in total expenditures after 1951.

The second major consideration supporting my confidence in this fiscal program is the fact that our economy is a dynamic and growing one. Each year our population and the productivity of our labor force rise, and our total national output must rise also if we are to fulfill our obligation to maintain high employment. As our economy grows, tax revenues will grow also. The effects of this growth are not fully reflected in the receipts estimates for 1951, because the temporary decline in incomes during this past year will affect some tax yields in 1951.

Federal expenditures are themselves of fundamental importance to our prospects for steady economic growth. Programs for such purposes as national defense and international recovery are essential to maintain a favorable international situation. In addi-

tion, many Federal expenditures constitute direct supports for important sectors of our economy, or direct investments in assets such as power facilities or in better education and other services, which add to the productive capacity of the Nation. Thus this Budget is not only consistent with an expanding economy, but will make a substantial contribution to that objective.

In analyzing the economic impact of Federal financial operations on our economy, increasing attention is also being paid to the aggregate of Federal cash transactions with the public, which are not fully reflected in the totals of Budget expenditures and receipts. Primarily important is the fact that, as long as the social insurance trust funds are building reserves to cover liabilities in future years, they show a substantial excess of receipts over payments. Therefore, the current economic impact of Federal financial activities, as reflected in the net difference between all cash receipts from and all cash payments to the public, is usually different from that indicated by the Budget surplus or deficit. In 1951, for example, the excess of cash payments over receipts is estimated at 2.7 billion dollars, 2.4 billion dollars less than the estimated Budget deficit. Continuing improvement in our fiscal position, which our present plans should achieve, will therefore probably result in an excess of total cash income over cash outgo before the Budget will show a surplus. This aspect of our over-all fiscal position is important in supporting the basic economic soundness of the fiscal program, although it does not lessen the need for the greatest possible prudence in the conduct of our financial operations as reflected in the Budget, which is the proper instrument of Executive and Legislative control.

The third major consideration supporting the soundness of this fiscal program is the fact that the tax recommendations which I

shall transmit to the Congress will both improve our tax structure and place us in a better position to meet our continuing fiscal requirements. It is highly important that we begin to make the basic changes in the tax system which are needed to make it more equitable and to provide better incentives for producing the amounts and types of investment, consumption, and savings which will contribute to an expanding economy. The large and badly devised tax reduction of 1948 sharply limits the extent to which we can make changes at the present time. Nevertheless, we can and should make now some of the changes which are needed in our tax laws, and bring nearer the time when the Budget can be balanced. Because of the time lag in tax collections after changes in the law, and the fact that some of the changes will result in an immediate loss in revenue, the tax recommendations which I shall submit to the Congress will produce less additional revenue in 1951 than in subsequent years, when the changes will be fully effective.

For all these reasons, the financial program which I am recommending represents a sound, long-range basis on which to plan our governmental operations at this time. It is directed at achieving a budgetary balance in the only way in which it can be achieved—by measures which support rather than impair the continued growth of our country. It is based on expenditure plans which can be sustained in the years following 1951 without embarrassment to our fiscal position. Its accomplishment does, however, depend upon our continued self-control in holding expenditure programs to no more than necessary levels.

As in all recent years, the Budget for 1951 is dominated by financial requirements to pay the costs of past wars and to achieve a peaceful world. Estimated expenditures for these purposes are 30 billion dollars, or about

71 percent of the total Budget. This is a reduction of 1.8 billion dollars from estimated expenditures for the same purposes in 1950. National defense and international programs, designed to insure our security and to create the economic and political conditions necessary for world peace, will require about 18 billion dollars. Veterans' programs and interest on the public debt, commitments arising mainly from the last war, will require about 12 billion dollars.

Our unprecedentedly large expenditures in recent years for international programs have been undertaken to assist free peoples to recover from the devastation of the war and to restore their capacity for future growth both in material things and in the practice of democratic principles. These programs are proving to be an investment paying dividends, far beyond their cost, in enhancing our own security and in providing a basis for world peace and prosperity. The job is not yet done, the goals are not yet reached; but the progress so far achieved makes possible in 1951 a substantial reduction in the dollar costs of these programs. Total expenditures for international affairs and finance are estimated at 4.7 billion dollars, a reduction of 1.3 billion dollars from 1950. This amount reflects the minimum requirements for these programs, and their success to date emphasizes the compelling need to carry them through on the planned basis.

As progress is made toward achieving the short-range objectives of recovery and relief, two other international activities assume increasing importance. First, I am renewing the recommendation for a program of technical and capital assistance to underdeveloped countries. The Budget expenditures in 1951 will be relatively small but they represent a step of great significance in the encouragement of world economic expansion and the growth of world trade, which are

essential to our national prosperity. Second, I am recommending additional funds in 1951 for the mutual defense assistance program, authorized by the Congress last year, and now getting under way. This program is a necessary supplement to economic growth as a bulwark against aggression, and is an integral part of the cooperative effort to assure the continued independence of free nations.

Expenditures for national defense must be sufficient to provide us with the balanced military strength we must maintain in the present world situation, at a level which can be sustained over a period of years. In 1951, expenditures for national defense are estimated at 13.5 billion dollars, an increase of about 400 million dollars over 1950. The present level of expenditures is substantially less than was anticipated a year ago, and is the result of careful Budget planning and vigorous administrative action.

Expenditures for veterans' services and benefits are estimated at 6.1 billion dollars in 1951, a decline of 825 million dollars from 1950. Our veterans' programs represent commitments which the Government has made to those who have served in its armed forces, and these commitments must be met. While that part which represents pensions, medical care, and similar services will continue to rise gradually, the program of readjustment benefits was intended to be transitional, and we should plan on a continued reduction in its cost during the next few years.

Interest on the public debt is estimated at 5.6 billion dollars in 1951, slightly lower than in 1950. This is, of course, a fixed commitment of the Government, and represents predominantly the cost of financing the last war.

All expenditures, other than those for international, national defense, and veterans' programs, and interest on the debt, total

12.5 billion dollars, about 29 percent of the total Budget. This is an increase of about 1 billion dollars from estimated expenditures for these purposes in 1950. They include many important activities such as the Atomic Energy Commission and the Maritime Commission, which are closely related to our national security. Furthermore, they represent those positive functions which Government must fulfill if we are to have a healthy and growing economy. Federal expenditures for these purposes in 1951 are expected to constitute a substantially lower percentage of the total national income than the corresponding percentage in 1939.

The 12.5 billion dollars which this Budget provides for these domestic programs, viewed item by item, reflects—and has been generally recognized by the Congress to reflect—the necessary contributions of the Federal Government in our modern economy. The major question in my mind is not whether we are doing too much, but whether the budgetary requirements of the major national security and war-connected programs have constrained us to undertake too little toward supporting and stimulating the realization of our country's great potential development. It must be recognized that failure to support essential Federal activities would impede the continued expansion upon which the well-being of our economy and the soundness of the Government's fiscal position alike depend.

Expenditures in this Budget, designed to assist economic development in the categories of housing and community development, agriculture, natural resources, transportation and communication, finance, commerce, and industry, and labor, together amount to 7.9 billion dollars, 19 percent of total estimated expenditures.

We must push ahead, for example, with atomic energy development, and the Budget

provides 817 million dollars for this purpose. We must maintain and develop adequate aviation facilities and services, for which 230 million dollars is included. The Federal Government should continue to assist States in developing an adequate national highway system; Federal expenditures for this purpose are estimated at 507 million dollars in 1951. The development of our rivers for flood control, navigation, reclamation, power, and other uses is of fundamental importance for economic growth, and is largely a Federal responsibility, for which this Budget includes 1.4 billion dollars. The Government is substantially aiding private industry and local communities in producing more and better housing at prices people can afford; 1.3 billion dollars is included for these purposes. Over 800 million dollars is provided to further the conservation of farm lands and to make loans for extending electricity to farms.

There is one aspect of these expenditures which has properly received widespread attention by the Congress and the public as having an important bearing on the long-run fiscal position of the Government. Many expenditures represent the acquisition of assets which are recoverable or will give continuing returns in future years, and which in normal business accounting would not usually be considered as current expense. It is estimated that in the 1951 Budget such expenditures, excluding military public works and equipment, amount to about 5.6 billion dollars, of which about 4 billion dollars is anticipated to be in the recoverable category. In the case of the Federal Government, in contrast to private business, these investment expenditures cannot properly be financed differently from other items in the Budget. But their size and nature are important in evaluating the strength of our fiscal position. A special analysis of the

nature and extent of investment expenditures is included in part III of the Budget this year for the first time.

Economic growth must be matched by comparable development in the social well-being and living standards of all our people. Continued progress depends in large part upon the increasing fulfillment of the responsibilities of Government in such fields as social welfare, education, and public health. In addition to the transfer of 594 million dollars of pay-roll taxes to the railroad retirement trust fund, the Budget proposes total funds of 2.1 billion dollars for social welfare, health, and security, and 434 million dollars for education and general research, about one-sixteenth of total Federal expenditures. These, too, are investments in the future of our country. Over 80 percent of these funds is for grants to States and localities.

The remaining programs, classified under general government, are estimated to cost 1.3 billion dollars. These funds provide for over-all legislative, judicial, and executive operations of the Government, and for various central services such as the maintenance of public buildings. Included in this total are 424 million dollars for tax collection and other financial operations, and 333 million dollars for the Government's payment to the civil service retirement fund.

The detailed activities of Government agencies in all fields have been closely reviewed to eliminate all but the minimum operations required. This has made necessary the denial of request after request for additional funds which—taken by themselves and in the judgment of particular groups affected—are highly meritorious. The progress made in this Budget in reversing the trend toward higher expenditures and in achieving a substantial reduction has been made possible only by the most vigorous

application, in every area, of a policy of holding the numerous activities to essential levels.

In a very few cases—mainly middle-income housing—the exigencies of particular situations justify the recommendation of limited new domestic programs. In addition, I am renewing proposals previously made for aid to education and expanded public assistance, primarily in the form of grants to States, and for the enactment of certain social insurance legislation which would be financed primarily by special taxes. Beyond this, however, I am recommending no new programs which would require large expenditures in future years, above the amounts included in this Budget. In the case of existing programs, while vigorous effort is being devoted to improving their efficiency, they must in the public interest be given sufficient funds to allow effective operation.

The rise from 2.5 billion dollars in 1950 to 3.1 billion dollars in 1951 in estimated civil public works expenditures, including grants and loans, reflects almost entirely the minimum requirements of projects and programs now under way. With respect to Federal public works in such fields as reclamation, flood control, and rivers and harbors, this Budget does not provide for starting any new projects, despite the pressures that exist for initiating construction of a large number of additional projects which are already authorized. Federal grants to States for public works have also been generally limited to the necessary costs required to carry forward continuing construction programs, primarily those for highways, airports, and hospitals.

Our policies with respect to expenditures must of course remain flexible to meet shifts in international or economic conditions. The policies I have outlined represent the sound and necessary basis for Budget programs in the light of the outlook at this time.

MANAGEMENT IMPROVEMENT PROGRAM

The past year has been one of outstanding achievement in improving the organization and operating methods of the executive branch. This is an important fact to note in the Budget Message as the accomplishment of better management in Government is essential to the fulfillment of our established fiscal goals. It is also a responsibility to which every official must give increased attention if the public is to receive a full return on its tax dollar. Action has been taken on many fronts. To cite but a few: the Department of State has been reorganized; improved operating methods have been installed in the Treasury Department; further progress toward unification has been made with the creation of a Department of Defense; central service functions of the Government have been reorganized in the General Services Administration; significant reorganizations have occurred in the Post Office Department, the Department of Commerce, and the Civil Service Commission.

In cooperation with the Congress, I intend to continue a vigorous program to achieve further improvements in governmental management.

One phase of this program requires the enactment of legislation and the approval of reorganization plans. During the coming year I recommend that the Congress enact basic personnel legislation to make possible further improvements in the way the Government recruits, trains, and supervises its employees. I also recommend that the Congress take action to allow the Post Office to maintain its own accounts and conduct its financial affairs on a businesslike basis and to permit appointment of postmasters by the Postmaster General.

During the session I shall transmit to the Congress a number of reorganization plans. The objective of these plans will be the establishment of clear lines of responsibility and authority for the management of Government activities and the more effective grouping of Government programs within departments and agencies.

A second phase of the management improvement program includes Government-wide activities in which all agencies participate. Major undertakings in this area are the installation of more efficient property and records management practices under the leadership of the General Services Administration; strengthening of personnel management activities under the leadership of the Civil Service Commission; and institution, under the sponsorship of the Bureau of the Budget, of systematic review by all agencies of operating effectiveness and economy as required by the Classification Act of 1949. In addition, more modern accounting practices are being installed throughout the Government under the guidance of a joint committee consisting of the Secretary of the Treasury, the Comptroller General and the Director of the Budget.

In the field of programing and budgeting, the progress made toward presentation of this 1951 Budget on a "performance" basis is an example of results stemming from the improvement program. An examination of the body of this document will indicate a substantial change from that of previous years. The activities for which funds are recommended are described so that the Congress and the citizens may see more clearly the relationship between the activities to be performed and the costs of those activities. Future Budget documents will include additional improvements. Some of these will reflect current efforts both to strengthen and

simplify Government accounting and to develop better measures of work performance. Others will provide additional kinds of analyses to enable examination and understanding of the Budget from different standpoints.

The third aspect of the management improvement program is the work being done by individual departments and agencies. I have instructed each department and agency head to inaugurate an aggressive program of management improvement in his department. These departmental programs have been reviewed in terms of their relation to financial requirements and their contribution to the solution of known problems. I will announce shortly certain areas to which priority will be given in the management improvement work of the executive branch during the year 1950. The special fund for management improvement which was authorized by the Congress last year will be utilized to carry out some of the specific projects. In following through to secure results from this entire program I will have the assistance and advice of my Advisory Committee on Management Improvement.

Under our Federal form of government, many public services are the common concern of Federal, State, and local government. Continuing attention needs to be given by all levels of government to the problems arising from the interrelations of our tax systems and the administration of common governmental functions. Federal and State and local officials are currently studying the possibilities of further cooperative arrangements in tax administration in order to reduce costs and improve coordination. We are also cooperating in developing legislative proposals to deal with several current problems of mutual concern: provision of certain local services to Federal personnel, application of local taxes to personnel and transactions on Federal reservations, and the establishment of a general system of pay-

ments to State and local governments whose property-tax base has been reduced by Federal acquisitions of real estate.

The reports of the Commission on Organization of the Executive Branch of the Government have provided the framework for much of the improved organization and management which has been achieved and which I hope to achieve during the coming year. While work has been started in a number of the areas containing the greatest potential for economy and improved operations, many further legislative and administrative actions are needed. It should be realized that the greater effectiveness and economy and better service to the public, which come from improved management, are the cumulative result of a great many individual actions. Realization of those goals requires the coordinated and unrelenting efforts of all Federal officials and employees. We must continue to emphasize the achievement of better management as an important part of the job of public service in which the Congress and the executive branch are engaged.

BUDGET RECEIPTS

Budget receipts in the fiscal year 1951 are estimated at 37.3 billion dollars under existing tax legislation, 457 million dollars below the estimate for the current year. Decreased collections from corporation income taxes account for the principal decline in receipts between the 2 years, reflecting the fact that the reduction in corporate profits from the calendar year 1948 peak does not have its full effect on tax receipts until the fiscal year 1951. The estimates of receipts assume economic activity at approximately the same level as at the present time.

I will shortly transmit to the Congress my recommendations for changes in our tax laws to provide a more balanced and equitable

BUDGET RECEIPTS

[Fiscal years. In millions]

<i>Source</i>	<i>1949 actual</i>	<i>1950 estimated</i>	<i>1951 estimated</i>
Direct taxes on individuals:			
Individual income taxes.....	\$17,929	\$17,971	\$18,246
Estate and gift taxes.....	797	697	692
Direct taxes on corporations:			
Corporation income taxes.....	11,343	11,075	10,458
Excess profits taxes.....	211	100	60
Excises.....	7,551	7,631	7,642
Employment taxes:			
Existing legislation:			
Federal Insurance Contributions Act.....	1,690	2,245	2,515
Federal Unemployment Tax Act.....	223	223	224
Railroad Retirement Tax Act.....	564	570	594
Railroad Unemployment Insurance Act.....	10	10	10
Proposed legislation:			
Medical care insurance.....			250
Improvement of old-age and survivors insurance.....			1,200
Customs.....	384	375	375
Miscellaneous receipts:			
Existing legislation.....	2,072	1,288	1,096
Proposed legislation.....			60
Deduct:			
Appropriation to trust funds:			
Existing legislation.....	-1,690	-2,245	-2,515
Proposed legislation:			
Medical care insurance.....			-250
Improvement of old-age and survivors insurance.....			-1,200
Refunds of receipts.....	-2,838	-2,177	-2,151
Budget receipts.....	38,246	37,763	37,306

NOTE.—Estimated receipts for 1951 exclude new tax proposals, except for recommended changes in employment taxes and miscellaneous receipts.

tax structure and to increase Federal revenues. The net increase in revenues during 1951 will be substantially smaller than in subsequent years, owing to the time required for some of the changes to become fully effective.

Direct taxes on individuals.—Receipts from the income tax on individuals exceed those from any other tax. The total of 18.9 billion dollars estimated for 1951 for direct taxes on individuals is practically unchanged from the 1950 total, and reflects continued high levels of employment and income.

Direct taxes on corporations.—The fiscal year 1951 estimate of receipts from taxes on corporations is 10.5 billion dollars. During the fiscal year 1951 corporations will pay

income tax on the profits earned during the calendar years 1949 and 1950. The decline in profits from the peak level of 1948 will therefore adversely affect these receipts for the fiscal year 1951.

Excises and customs.—Under present laws very little change is anticipated in collections of excise taxes and customs.

Employment taxes.—The tax rate for old-age and survivors insurance was increased from 1 to 1½ percent on the first of this month; hence the receipts estimate for 1950 includes taxes based upon both the old rate and the new. Receipts for 1951 under existing legislation represent a full year's collection at the new higher rate.

I have recommended expansion and im-

provement of the old-age and survivors insurance system and a new program of medical care insurance. It is estimated that the additional taxes to be collected for these programs will amount to 1.4 billion dollars in 1951. Since these sums will be transferred immediately to trust accounts, Budget receipts will not be increased.

Miscellaneous receipts.—Miscellaneous receipts have been declining steadily since 1947, primarily because of the drop in sales of surplus property originally acquired for war purposes. During 1951 receipts from surplus property will be only about 0.1 billion dollars compared to the peak of 2.9 billion dollars in 1947.

There are other decreases in the estimates of miscellaneous receipts which are in the nature of changes in reporting. Certain receipts, notably of the Farmers' Home Administration and of the public housing program, were formerly deposited into miscellaneous receipts, but are now deducted from the expenditures of the programs involved. These changes, of course, have no effect on the surplus or deficit.

The estimate of miscellaneous receipts for 1951 reflects my recommendation that legislation be enacted to permit the acceleration of capital repayment by the Federal home loan banks. An increase in patent fees is also necessary to make the Patent Office more nearly self-supporting.

Refunds of receipts.—Refunds for 1951 are estimated at about the same level as for the current year, 0.7 billion dollars less than in 1949. The decline is the result of the fact that 1949 refunds were unusually high because of the retroactive features of the Revenue Act of 1948.

PUBLIC DEBT

The public debt amounted to 252.8 billion dollars on June 30, 1949. Estimated Budget

deficits of 5.5 billion dollars in the fiscal year 1950 and 5.1 billion dollars in the fiscal year 1951, together with certain minor adjustments, will cause the debt to increase to 263.8 billion dollars by the end of 1951. In 1951, about 2.5 billion dollars of the increase in the debt will be financed by new investments in Federal securities by trust accounts and other Government agencies.

BUDGET EXPENDITURES AND AUTHORIZATIONS

A summary of Budget expenditures according to the broad programs or functions for which the money is spent is set forth in the table below. This table includes all expenditures from the general and special funds of the Treasury and the net expenditures of wholly owned Government corporations. Expenditures from the trust funds are excluded.

All expenditures flow from obligational authority enacted by the Congress. The net new appropriations and other authorizations recommended for the fiscal year 1951 total 40.5 billion dollars. Of this total, 33.1 billion dollars is now formally recommended for action by the Congress, while 7.4 billion dollars is tentatively estimated for later submission. In addition, this Budget includes appropriations of 4.5 billion dollars to liquidate obligations incurred under prior year contract authorizations, more than half in programs for the national defense.

Since contracts with industry must be let well ahead of deliveries, a considerable lead time is required for the economical operation of many Government programs. This is especially true for public works and military procurement. Financial obligations incurred in prior years, therefore, will have already fixed a substantial part of the estimated Budget expenditures for 1951. Of the total Budget expenditures of 42.4 billion dollars

BUDGET EXPENDITURES AND AUTHORIZATIONS BY MAJOR FUNCTION

[Fiscal years. In millions]

Function	Expenditures			New obligational authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
International affairs and finance.....	\$6,462	\$5,964	\$4,711	\$4,505	\$530
National defense.....	11,914	13,148	13,545	¹ 11,359	¹ 1,441
Veterans' services and benefits.....	6,669	6,905	6,080	5,847	.....
Social welfare, health, and security.....	1,907	2,297	2,714	2,625	165
Housing and community development.....	282	1,006	1,329	117	704
Education and general research.....	70	125	434	117	7
Agriculture and agricultural resources.....	2,512	2,671	2,206	875	580
Natural resources.....	1,512	1,845	2,218	1,594	370
Transportation and communication.....	1,622	1,894	1,682	973	673
Finance, commerce, and industry.....	120	225	212	60	250
Labor.....	193	219	243	266	.....
General government.....	1,170	1,223	1,267	1,231	3
Interest on the public debt.....	5,352	5,725	5,625	5,625	.....
Reserve for contingencies.....	.....	50	175	200	.....
Adjustment to daily Treasury statement.....	272	.....	.....	.....	.....
Total.....	49,057	43,297	42,439	² 35,731	4,723

¹ In addition 851 million dollars of reserved 1950 contract authorizations and 22 million dollars of 1950 appropriations will be available for 1951 programs.

² This Budget also includes 4,514 million dollars of appropriations to liquidate prior year contract authorizations.

estimated for 1951, about 12.1 billion dollars, 29 percent, will be payments for obligations incurred in 1950 or in earlier years; the remainder will be for 1951 obligations.

Net new appropriations recommended for 1951 are 1.6 billion dollars less than those estimated for 1950. They represent total appropriations (including permanent appropriations) less those to be used to liquidate prior year contract authorizations. New contract authorizations (which will require later appropriations to liquidate) totaling 3.4 billion dollars are also included in this Budget, also about 1.6 billion dollars less than the estimated new contract authority for 1950. Special authorizations to use the proceeds of Treasury borrowing in the financing of certain Government programs are included in the 1951 recommendations to the amount of 1.4 billion dollars. This represents a de-

cline of 6 billion dollars from the 1950 estimate for this type of authorization. The estimate for 1950, however, anticipates action by the Congress in providing supplemental public debt authorizations of 2 billion dollars for the Commodity Credit Corporation, one-half billion dollars for the Reconstruction Finance Corporation, and stand-by borrowing authority of 1.7 billion dollars for the Federal Savings and Loan Insurance Corporation and the Federal home loan banks.

PROGRAMS

The following sections describe the programs undertaken in each of the major functions of the Government and the new proposals I am making in this Budget. In addition, this year for the first time the Budget contains (in part II) improved pres-

entations showing in detail the programs and performance of all Government agencies.

INTERNATIONAL AFFAIRS AND FINANCE

In 1951, as in every year since the war, the cost of our international programs will be large because far-reaching problems remain to be solved. Notable progress has been made toward foreign economic recovery, but some of the most difficult steps lie ahead. The threat of aggression still exists, requiring continued efforts to bolster the defenses of free nations. The economic underdevelopment of great areas of the world deprives their peoples of the adequate living standards in which free institutions can flourish, and deprives other peoples of needed resources which expanded world trade could bring.

The 1951 Budget provides for 4.7 billion dollars of expenditures on our international activities. This is 1.3 billion dollars, or more than 20 percent, below estimated expenditures in 1950. This very substantial reduction reflects the declining costs of our recovery and relief programs as they have stimulated and supported economic reconstruction, rising living standards, and growing political stability. My recommendations for 1951 represent the minimum amount required to carry our plans forward toward a successful conclusion. The continuing and grave uncertainties which remain in the world situation make it imperative that we be prepared to adjust our efforts to accord with developments. If, however, we make at this time the investment necessary to achieve continued economic recovery, I expect the trend in total expenditures for our international activities to continue downward in subsequent years.

Recovery and relief costs, which in 1951 will be over 75 percent of international expenditures, will diminish rapidly as recovery

programs near completion, although new measures may become necessary to attain specific objectives in particular areas. At the same time, our programs for stimulating foreign economic development assume increasing importance, and expenditures for this purpose should increase somewhat in future years as political conditions stabilize and opportunities for mutually advantageous technological improvement and productive investment abroad increase. Furthermore, expenditures for foreign military assistance will remain substantial for several years as shipments are made under the programs authorized in 1950 and proposed for 1951.

Conduct of foreign affairs.—Expenditures in 1951 for the State Department, through which we conduct our foreign affairs, will be about the same as for the current year. The decline of war claims payments will be about offset by increased requirements in other programs, notably the Department's recent assumption of responsibilities in Germany. The international information and education program will continue at the expanded level to be reached this year.

Our Government also participates in many international agencies, principally the United Nations and its affiliates. Through such participation we are actively engaged in a cooperative and world-wide effort to build the foundations for continued peace and the social and economic betterment of all peoples. One important aspect of this effort has been the development of a set of principles and a mechanism, through the proposed International Trade Organization, for facilitating the growth of world trade on a multilateral basis. I again urge that the Congress approve the charter of the International Trade Organization and pass the necessary implementing legislation.

European recovery program.—A major problem of foreign policy today is the fact that certain key areas of the world, prin-

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Conduct of foreign affairs:					
State Department.....	\$134	¹ \$187	¹ \$190	\$175	.....
Participation in international organizations (present programs and proposed legislation).....	38	58	49	31	.....
Other.....	1	1	1	(²)	.....
International recovery and relief:					
European recovery program and other foreign aid (present programs and proposed legislation)...	4,040	¹ 4,062	3,250	3,100	.....
Aid to occupied areas.....	1,349	831	279	320	.....
Aid to Korea (present programs and proposed legislation).....	¹ 6	¹ 93	¹ 111	115	.....
Reconstruction Finance Corporation (loan repayment).....	-41	-38	-38	.....	.....
Aid to refugees:					
International Refugee Organization.....	73	70	25	25	.....
Displaced persons program (present programs and proposed legislation).....	1	5	4	4	.....
Palestine refugees (present programs and proposed legislation).....	8	15	20	.....	.....
Other.....	288	23	3	.....	.....
Foreign economic development:					
Export-Import Bank loans.....	-57	71	48	.....	.....
Inter-American development.....	12	11	8	7	\$30
Technical assistance to underdeveloped areas (proposed legislation).....	.....	.....	25	35	.....
Foreign military assistance:					
Mutual defense assistance program (present programs and proposed legislation).....	.....	160	645	648	500
Greek-Turkish aid (acts of 1947 and 1948).....	289	195	.....	.....	.....
Assistance to China (act of 1948).....	125	.....	.....	.....	.....
Philippine aid.....	197	221	91	45	.....
Total.....	6,462	5,964	4,711	³ 4,505	530

¹ Includes transfer from funds for aid to occupied areas.² Less than one-half million dollars.³ This Budget also includes 518 million dollars of appropriations to liquidate prior year contract authorizations.

cipally western Europe, are faced with the necessity of making fundamental and complex adjustments to the far-reaching changes in their trade and financial relationships which resulted from the war. The great achievement of the European recovery program to date has been to help these countries to recover from the devastation of war, to

restore living standards, and to maintain political stability, and thus to place them in a position to make the adjustments that are required.

As a consequence of their situation, these countries have experienced an extraordinary need in recent years for commodities and equipment which could, for the most part,

be supplied only by this country, but for which they were not able to pay by the export of goods and services. If we had permitted their imports to sink to the temporarily reduced level which they could finance, it would have drastically reduced their living standards and invited unrest and destructive economic nationalism. Instead, we have undertaken a planned and mutual effort designed to achieve, during a relatively short period of United States assistance, expanded foreign production and trade, an increase in exports yielding dollars and a lessening need for imports requiring dollars, and an increased international flow of investment capital, thus establishing the basis for economic growth and prosperity.

The European recovery program has made notable progress toward these objectives since its inception almost 2 years ago. As a result, 1951 appropriation requirements for all segments of the program, including that portion of our aid to western Germany which has previously been provided separately from funds for aid to occupied areas, will be more than 1 billion dollars below the amounts provided by the Congress for the same purposes in 1950. Serious obstacles, however, remain to be surmounted. A substantial expansion in international trade and investment is necessary if the remaining adjustments are to be completed without involving serious economic and political dislocation.

The past year has shown that this task will not be easy. To achieve an increased flow of trade and investment will require far-sighted and vigorous steps by the European countries, and by other nations as well, including our own, if international economic relationships are to be established on a sound basis. The funds included in this Budget for continuing our participation in the European recovery program are an essential element for further progress.

Other international recovery and relief

programs.—Our economic aid to occupied areas similarly takes the form of recovery programs designed to balance their trade at levels adequate to maintain stability without continued United States assistance. During the current fiscal year, responsibility for economic aid to western Germany has been transferred from the Department of the Army to the Economic Cooperation Administration, and these costs will be met in 1951 from European recovery program funds. Army-administered aid to occupied areas in 1951 will therefore be limited almost wholly to Japan and the Ryukyu Islands. The substantial sums invested in Japanese recovery since the end of the war are yielding results which permit a reduction in 1951 outlays for this purpose, and bring us nearer to termination of this program.

Although I have urged the Congress to authorize a similar recovery program for the Republic of Korea, funds provided to date permit operation at only a relief level. Early enactment of the legislation now pending will permit recovery to proceed and hasten the date when our aid can be concluded. The estimates in this Budget anticipate a start toward recovery in the remainder of the current fiscal year and substantial further progress in 1951.

Our remaining international requirements for purposes of relief, as contrasted with recovery, are chiefly those for assistance to refugees. The work of the International Refugee Organization will extend through 1951; its remaining work load, however, is substantially reduced, allowing a 65 percent reduction in our contribution below the 1950 level. The estimate for the Displaced Persons Commission reflects my recommendation that the present Displaced Persons Act be speedily amended to make it fair and workable. The provision for aid to Palestine refugees is the present estimate of our share of the cost of the proposed United

Nations' program for restoring to productive activity the several hundred thousand persons displaced during the recent conflict in Palestine.

Foreign economic development.—Since the end of the war, the urgent, though temporary, requirements for international recovery and relief have of necessity taken priority over longer-range efforts to promote world economic development. The devastation left by war had to be overcome. The restoration of economic strength to the world's principal industrial areas necessarily had to precede any real economic progress in the less-developed parts of the world.

Now that recovery is well under way, we must increasingly turn our attention to measures for the gradual and permanent expansion of world production, trade, and living standards which are necessary for enduring world peace. Great potentialities for such expansion lie in the underdeveloped areas of the world, with resulting benefits to the peoples of these areas and to other countries, including our own.

I again urge the Congress to authorize a program of technical assistance to enable the peoples of these areas to learn, and to adapt to their own needs, modern technological and scientific knowledge in such fields as agriculture, health, education, transportation, and industry. The achievements of our present technical assistance activities in the American Republics and in Europe attest to the success and practicability of this approach. This Budget provides for expenditures of 25 million dollars for the new program. This includes the United States share in the cost of the program for technical assistance recently approved by the United Nations.

A second basic requirement for economic progress in underdeveloped areas is a substantial increase in the inflow of capital for productive investment. These areas should

offer opportunities for private capital and private enterprise, if there is assurance of fair and equitable treatment for foreign capital such as is contained in the commercial treaties which are now being negotiated with many nations. Nevertheless, there will remain certain abnormal risks which deter potential investors, and I again urge the enactment of legislation authorizing an experimental program by the Export-Import Bank to guarantee private developmental investments against such risks.

In many cases the flow of private capital may not be available or adequate, or particular circumstances may make governmental action preferable. In such cases, the investment of public funds may be needed, through such institutions as the International Bank for Reconstruction and Development and the Export-Import Bank. These institutions are currently directing their emphasis to loans for developmental purposes.

Foreign military assistance.—Although economic recovery is the most essential condition to the maintenance of freedom and stability in western Europe and other regions of vital importance to our own security, economic vitality alone will not suffice to prevent aggression. Stronger military defenses are required, but these nations cannot unaided strengthen their defenses to a point sufficient to deter aggression without seriously retarding their recovery efforts. To solve their dilemma and to strengthen our own defenses, we agreed last year to unite with our neighbors of the North Atlantic community in developing and putting into effect an integrated defense plan for that area.

We have implemented that decision through the Mutual Defense Assistance Act of 1949, which provides for the supply of arms to the Treaty nations to supplement their own defense measures. The act also continues our previous program of assistance to Greece and Turkey, which has already

achieved substantial success in ending the guerrilla threat to Greek independence and in strengthening Turkish defenses. In addition the act provides for military aid to certain other areas in the Middle and Far East.

The North Atlantic Treaty nations are now proceeding with the development of an integrated defense plan, the translation of that plan into equipment and supply needs, and a realistic determination of what each participant can do, both for itself and for the others, in meeting those requirements. For the current year the Congress provided 1 billion dollars for military assistance to the Treaty nations, and 359 million dollars for the other nations covered by the act. For the fiscal year 1951 I am recommending new obligational authority of 1.1 billion dollars, including 500 million dollars new contract authority.

Except for the previously authorized Greek-Turkish program, expenditures in 1950 will be relatively low, owing to late enactment of the new program and the time required for agreement on joint plans and for the subsequent determination of detailed requirements. Expenditures in 1951 for foreign military assistance will be almost twice as great as in 1950, and may rise somewhat further thereafter, owing to the long delivery time characteristic of military procurement.

Philippine aid.—The special concern and responsibility we feel for the progress of the Philippine Republic have taken the principal form, since the war, of assistance in the physical rehabilitation of damaged facilities and the payment of war damage claims. The cost of both of these programs will decline sharply in 1951 as they approach completion. We will continue to follow with sympathetic interest the achievements of the Philippine people and to assist them in mak-

ing their contribution to our common objectives.

NATIONAL DEFENSE

Our expenditures for national defense continue to be the largest item in the Budget. Under current world circumstances, in which the strength of the United States is making such a vital contribution toward world peace, we must continue to make the expenditures necessary to maintain a position of relative military readiness. At the same time, we must plan our expenditures for national defense so that we will achieve our purpose at a reasonable cost, well within our capacity to sustain over a period of years.

This Budget represents a further step toward these objectives. It provides for active forces in a high state of training, available for immediate use if necessary and as a nucleus for rapid expansion in the event of an emergency, and for reserve forces, organized and trained for early mobilization if necessary. This Budget contemplates the continued development of planning for industrial mobilization and the accumulation of a stockpile of strategic and critical materials. It continues to emphasize research and development to keep our military technology abreast of scientific developments, and procurement of newly developed weapons to improve the equipment of the ready forces. At the same time this program is sufficiently flexible to provide a basis for rapid changes should developments in technology or international conditions make them necessary.

The recommendations for national defense in this Budget take into account the progress which has been made and can reasonably be anticipated in the programs now being developed for the effective integration of our

defense plans and organizations with those of other North Atlantic Treaty nations. These defense plans, together with our assistance in strengthening the forces of these countries through the mutual defense assistance program, should provide an increasing measure of security to free peoples on both sides of the Atlantic as well as elsewhere in the world.

For the past 2 years we have been adjusting our military programs to achieve a balanced structure which can be maintained over a period of years without an undue use of national resources. The National Security Act of 1947 and the amendments to that act in 1949 have provided a sound organizational framework within which to work toward this objective. Vigorous actions have been taken to reduce overhead, to improve efficiency, to eliminate activities of low priority, and to realign our armed forces in accordance with a unified strategic concept. As a result, the estimate of obligatory authority for the 1951 program of the Department of Defense, including certain obligations in 1951 from 1950 authority, is 13 billion dollars, as compared with 14.2 billion dollars recommended for 1950 in the Budget a year ago.

My recommendations in this Budget provide for balanced land, naval, and air forces. In order to avoid the creation of forces involving commitments over a period of years beyond what we could reasonably expect to provide, I have had placed in reserve certain authorizations for the current year which were provided primarily for the expansion of the Air Force. These recommendations for the Defense Department for 1951 contemplate substantially the continuation of the revised 1950 program.

The estimated obligatory authority of 13.7 billion dollars for 1951 includes 4.0 bil-

lions for the Army, 3.9 billions for the Navy, and 4.4 billions for the Air Force. In addition the recommendations include 0.8 billion for other Department of Defense activities, including retired pay and proposed legislation; and 0.6 billion for other national defense activities, mainly stockpiling of strategic and critical materials. Of this obligatory authority expected to be required in 1951, 11.4 billion dollars is appropriations and 1.4 billion dollars is contract authorizations, both requiring action by the Congress. In addition, 873 million dollars is to come from appropriations and contract authorizations which were placed in reserve in 1950 and are available for 1951 needs.

The estimated expenditures for national defense in 1951 of 13.5 billions, including stockpiling and other defense items, are an increase of about 400 million dollars from estimated expenditures for 1950. The increase results almost entirely from procurement and other commitments made under authorizations previously approved by the Congress. Expenditures in subsequent years will reflect the reduction of new obligatory authority for 1951.

Military strength.—Extension of authority for selective service, for which I plan to submit legislation, is vital as a positive demonstration of our resolve to maintain the strength of the free world. With it we will retain our ability to expand our armed forces rapidly in an emergency and will also insure adequate replacements to maintain the required strength of our active forces.

The extension of selective service authority will provide a temporary solution to the military manpower problem of the active forces, but will leave unsolved the problem of trained manpower for our reserve forces. I point out again the necessity of a program of universal training if we are to provide on

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Department of Defense, military functions:					
Pay and support of active duty military personnel . .	\$4, 435	\$4, 590	\$4, 287	\$4, 292	.....
Operation and maintenance of equipment and facilities	3, 418	3, 224	3, 294	3, 406	.....
Civilian components	539	705	740	757	.....
Research and development	688	630	606	¹ 594	.....
Aircraft procurement	1, 230	1, 656	2, 081	81	² \$1, 937
Construction of ships	295	314	298	.....	.....
Major procurement other than aircraft and ships . .	198	455	678	755	.....
Military public works	151	299	182	.....	.....
Industrial mobilization, service-wide administration and finance, interservice projects, and Office of Secretary of Defense	390	487	491	535	.....
Tentative estimate for proposed legislation (including military public works) . . . . .	.....	.....	70	132	240
Unexpended reimbursements from mutual defense assistance program . . . . .	.....	—50	—225	.....	.....
Department of Defense, civil functions:					
Pay of retired military personnel	191	241	345	356	.....
Other	13	9	5	.....	.....
Subtotal, Department of Defense	<u>11, 548</u>	<u>12, 560</u>	<u>12, 852</u>	<u>¹ 10, 908</u>	<u>² 2, 177</u>
Activities supporting defense:					
Stockpiling of strategic and critical materials	299	580	650	400	100
National Advisory Committee for Aeronautics . . .	49	56	65	48	15
Reconstruction Finance Corporation	—17	—81	—48	.....	.....
Other	35	33	22	21	.....
Tentative estimate for proposed legislation: Selective Service System . . . . .	.....	.....	4	4	.....
Subtotal	<u>11, 914</u>	<u>13, 148</u>	<u>13, 545</u>	<u>¹ 11, 381</u>	<u>² 2, 292</u>
Deduct 1950 obligatory authority deferred to 1951 . . . . .	.....	.....	.....	—22	—851
Total	<u>11, 914</u>	<u>13, 148</u>	<u>13, 545</u>	<u>³ 11, 359</u>	<u>1, 441</u>

¹ Includes appropriations of 22 million dollars made for the fiscal year 1950 which will be available for obligation in the fiscal year 1951.

² Includes contract authorizations of 851 million dollars made for the fiscal year 1950 which will be available for obligation in the fiscal year 1951.

³ This Budget also includes 2,533 million dollars of appropriations to liquidate prior year contract authorizations.

a continuing basis sufficient numbers of men for the reserve forces, adequately trained to use effectively the increasingly complex machines of war.

The total personnel assigned to combat forces will be the greatest since the comple-

tion of the demobilization following World War II, although the amounts recommended for 1951 will provide about 3 percent fewer officers and enlisted personnel on full-time active duty than at present. In 1951, it is planned to continue the organized units of

MILITARY PAY STRENGTH

[In thousands]

	<i>Regular and reserves on full-time active duty</i>			<i>Reserves in drill pay status</i>	
	<i>Mar. 31, 1948</i>	<i>Dec. 31, 1949 (estimate)</i>	<i>1951 average (estimate)</i>	<i>October 1949</i>	<i>1951 average (estimate)</i>
Army.....	538	639	630	565	605
Navy and Marine Corps.....	488	492	461	213	256
Air Force.....	368	416	416	82	118
Total.....	1,394	1,547	1,507	860	979

the reserve forces at approximately the strength which is expected to be achieved by the end of the current year, but with better equipment, facilities, and training.

Under these recommendations for the Army, this Budget will provide 10 divisions, 48 antiaircraft battalions, and other combat and service units. Complementing the active Army will be the National Guard with 350,000 personnel and the Organized Reserve with 255,000 in regular training.

The Navy under these recommendations will operate an active naval fleet of 652 ships including 238 combatant ships. Six Marine Corps battalion landing teams will be maintained. A total of 5,900 aircraft will be operated by the active forces, and 2,500 by the reserve forces. Supplementing the Navy and Marine Corps will be 204,850 members of the Naval Reserve and 50,772 of the Marine Corps Reserve in regular training.

It is contemplated that the active Air Force will be organized into 48 groups and 13 separate squadrons, approximately its present strength. The Air National Guard and Air Force Reserve will be organized into 27 groups and 25 base wings, respectively. A total of 8,800 airplanes, from trainers to heavy bombers, will be operated by the active Air Force, and in addition 3,400 by the Air National Guard and the Air Force Reserve.

Pay and support of active duty military personnel.—The services of the officers and enlisted men and women on active duty will

require 4.3 billion dollars, over one-third of Defense Department military expenditures. This will provide for pay, allowances, subsistence, travel, and clothing for the active forces at the new rates of pay and allowances set by the Career Compensation Act of 1949.

Operation and maintenance of equipment and facilities.—Estimated expenditures of 3.3 billion dollars will provide for operating and maintaining the aircraft, ships and vehicles, the airfields, training centers, hospitals, depots, various headquarters, ports, and other stations. Most of this amount will be required for the pay of civilian employees in these activities. These employees constitute the bulk of the approximately 725,000 civilian employees expected to be engaged in the military functions of the Defense Department in 1951. This represents a substantial reduction from the 865,000 provided for in the 1950 Budget.

Civilian components.—I have consistently stressed the importance of the civilian components of our armed forces. The Army and Air National Guard and the Air Force, Army, Navy, and Marine Corps Reserves will require estimated expenditures of 696 million dollars in 1951, as compared with the 663 million dollars estimated for 1950. This will provide for the training of forces totaling 979,000, which approximates the number expected to be in regular training by the end of the current year. Continued improvements are planned in the equipment

available to these forces and in the effectiveness of their training programs. In order to overcome a major deficiency in the program for these forces, I recommend that the Congress authorize the construction of additional armories and similar training facilities. Funds for this purpose are included in the amount estimated for proposed legislation.

In addition the Reserve Officers' Training Corps of the Air Force, Army, and Navy will necessitate expenditures of 44 million dollars in 1951 to provide a continuing source of junior officers for the reserve forces and a portion of the junior officers required by the active forces. This will provide an estimated 19,000 new junior officers in 1951, an increase of 2,000 over the estimate for 1950.

Research and development.—The experiences of the last war clearly demonstrated the decisive importance in modern warfare of superior weapons and equipment and of the application of scientific research to the production of new weapons and techniques of combat. In peacetime, as well as war, scientific and technical advances here and abroad make possible continuing improvements in the performance of military weapons, and open to us and to other nations the possibilities of new types of weapons which can profoundly affect military concepts and tactics.

We must continue a broad and active program of military research and development. The research and development programs of the Department of Defense, together with the related programs of the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and other agencies of the Government, have as their objectives to develop improved weapons and equipment for the modernization of our military forces, to exploit the possibilities of new types of weapons and devise defenses against them, and to stimulate scientific research

likely to have future military applications.

Expenditures of the Department of Defense for research and development in 1951 are estimated at 606 million dollars, slightly less than in the current year. This amount includes the principal costs of the research and development activities, except for the construction of research facilities and the pay and support of military personnel engaged in research and development activities.

Aircraft procurement.—Procurement of complete aircraft will require expenditures of 2.1 billion dollars in 1951 for approximately 2,300 airplanes, compared with 1.7 billion dollars for approximately 2,800 airplanes in 1950. The change in average unit cost reflects the increasing complexity and cost of individual airplanes.

The recommendations in this Budget will provide for new contracts to be made in 1951 totaling 2.0 billion dollars, compared with 1.9 billion dollars in 1950. This contemplates that 851 million dollars of 1950 authorizations being held in reserve will be applied against requirements for aircraft to be contracted for in 1951.

Approximately 3.3 billion dollars of unexpended authorizations contracted for in 1950 and prior years will be carried forward into 1951. This carry-over, together with the contracts to be made in 1951, will provide 5.3 billion dollars of complete aircraft to be delivered and paid for in 1951 and subsequently. Under present procurement plans it is estimated that, in addition to the 1951 deliveries of 2,300 airplanes, approximately 3,100 airplanes will be delivered in 1952 and later years from authorizations provided prior to that time.

Construction of ships.—Naval ship construction will require 298 million dollars of estimated expenditures in 1951. While no new obligational authority is recommended in this Budget, the 1951 expenditures will be only slightly less than the 314 million dollars

estimated for 1950. Various substitutions and adjustments have been made during the past year in the uncompleted portion of the shipbuilding program. In addition to work completed in 1951, 467 million dollars of presently authorized naval ship construction will remain to be completed in 1952 and later years.

Major procurement other than aircraft and ships.—Major procurement other than aircraft procurement and ship construction, will require expenditures of 678 million dollars, a 50 percent increase over the estimate for the current year and more than three times as much as in 1949. This will provide, mainly, combat equipment for Army and Marine Corps troops, equipment for modernizing the fleet, noncombat vehicles for the three military departments, and ammunition, torpedoes, and guided missiles. The substantial increase in expenditures in 1951 results largely from the sizable expansion in this program during the past 2 years. The new obligational authority recommended for 1951, totaling 755 million dollars, will be at a moderately higher level than 1950. This will continue the larger procurement program embarked on in 1949 and continued with increases in 1950.

Amounts included for combat vehicles, artillery, guns, and other equipment for Army and Marine Corps troops will permit substantial modernization of the equipment for the ready forces, and will reflect the progress of our research and development efforts. It will provide an orderly step in the replacement of the equipment left over from World War II which by the end of 1951 will be at least 6 years old and therefore in need of substantial improvements in design as a result of technical and scientific developments. The equipment for modernizing the fleet will give emphasis to the role of anti-submarine warfare.

Military public works.—Construction of

military public works will result in considerably smaller expenditures in 1951 than in 1950. This is largely because only part of the authorizations proposed in my 1950 Budget were enacted. Exclusive of the construction for which legislative authorization will need to be made, 1951 expenditures are estimated at 182 million dollars compared with 299 million dollars for 1950. This will provide for such construction as housing for troops and their families, operational facilities, and facilities for research and development. The obligational authority necessary for additional projects not yet authorized by legislation are included in the tentative estimate for proposed legislation.

Industrial mobilization, service-wide administration and finance, interservice projects, and Office of the Secretary of Defense.—The Defense Department's part in industrial mobilization planning will provide for maintaining machine tools and stand-by industrial plants, for tooling of pilot production lines, and for placing educational orders, as well as for continuing industrial mobilization planning studies with industry. Expenditures for this purpose are estimated at 109 million dollars in 1951 compared with 117 million dollars in 1950.

Other Defense Department activities largely of service-wide nature, will result in expenditures estimated at 382 million dollars, a slight increase from 1950.

Proposed legislation (including military public works).—In order to provide for early starts on projects and activities for which legislation is proposed I am including an estimate of 372 million dollars for new obligational authority, the largest part of which is for military public works for both regular and reserve forces.

Unexpended reimbursements from mutual defense assistance program.—The Defense Department receives reimbursements for some of the equipment which it takes from

its stocks to ship to other countries under the mutual defense assistance program. The manufacture and delivery of equipment out of these reimbursements will, for the most part, not be possible before the following year. Hence these reimbursements will appear as credits in Defense Department expenditures in 1950 and 1951. As deliveries from these funds are made in future years, compensating increases in Defense Department expenditures will result.

Pay of retired military personnel.—Amounts are appropriated annually to provide the cost of pay for retired military personnel. The expenditures of 345 million dollars estimated for 1951 provide this retirement pay for persons whose services were for the most part rendered prior to World War II. The Government is at present incurring obligations for future payments at a rate two and one-half times the current retired pay expenditures.

Stockpiling of strategic and critical materials.—The stockpile program will provide the means for augmenting the supplies of materials expected to be available to us in time of emergency. Accelerated progress toward present objectives will be made during the year since available supplies have increased somewhat, partly as a result of orders placed previously to encourage new development.

I recommend 500 million dollars of new obligational authority for this program in 1951. This amount when added to the authority already available will provide total authority for deliveries in 1951 and later years of 1.1 billion dollars. Expenditures are expected to rise from 580 million dollars in 1950 to 650 million dollars in 1951.

The recommended new obligational authority will bring the funds for the stockpile to within 729 million dollars of the present total objective of 3.3 billion dollars. By the end of 1951, 65 percent of the stockpile will

be delivered, and an additional 13 percent will be under contract for delivery after 1951. We will be nearer to our goals for the materials the supply of which would be the most susceptible to interruption, than for the stockpile as a whole.

National Advisory Committee for Aeronautics and other activities supporting defense.—Expenditures for all other activities supporting defense will total 43 million dollars, after deducting 48 million dollars of net receipts in the defense activities of the Reconstruction Finance Corporation. Slight increases in funds will be necessary for the National Advisory Committee for Aeronautics to move forward with its basic research activities in aeronautics. The funds for the National Security Resources Board will be maintained at about the present level, and the cost of maintaining industrial reserve plants by the General Services Administration will decline slightly. Other activities provided for include the Selective Service System as well as various defense activities of other agencies. The defense activities of the Reconstruction Finance Corporation, having to do with rubber, tin, and fibers, will result in larger receipts than expenditures, mainly as a result of reduction of inventories.

VETERANS' SERVICES AND BENEFITS

Expenditures of 6.1 billion dollars are estimated for veterans' programs, one-seventh of all Budget expenditures estimated for 1951. The size of these requirements reflects the fivefold increase since 1939 in the number of living veterans and the new readjustment benefits provided for the World War II veterans, as well as the increases in rates of benefits and in services to veterans generally.

Most of the expenditures for veterans' benefits and services are not controllable by the ordinary appropriation process. Ex-

penditures depend largely on how many of our 19,000,000 living veterans, and how many dependents of deceased veterans, apply and qualify for aid under some 300 laws. The variable impact of veterans' programs on the Budget is indicated by the fact that expenditures for the fiscal year 1950 are now estimated 1.4 billion dollars higher than they were estimated a year ago. As a result, it now is necessary not only to request restoration of the appropriations for the Veterans Administration eliminated by the last session of the Congress, but also to recommend additional supplemental appropriations for 1950.

Expenditures in the fiscal year 1951 are estimated to decline 825 million dollars from the level for the current year. In the next few years we should be able to see a further substantial reduction in Budget expenditures for veterans' programs, as the temporary readjustment benefit programs taper off or expire under existing legislation. On the other hand, it should be recognized that permanent veterans' laws will necessitate high expenditures for many years. In particular, expenditures for pensions and for hospital and medical care will continue to increase from year to year.

I have called attention in previous Messages to the responsibilities which our Nation has toward its veterans and to our efforts to assist them to resume as nearly as possible their normal places in our society. We have provided a comprehensive and complete program of special Government benefits for veterans of all wars—including extensive economic aids, education and training assistance, job reinstatement and preference rights, as well as extensive medical and other services. Veterans, as citizens, of course, are also benefited under the general programs developed in the last 15 years to maintain high employment and to advance the Nation's economic welfare.

Almost 2,000,000 veterans with disabilities

incurred in the service, and over 300,000 families of veterans deceased from service causes, are now being assisted under the veterans' programs. Our primary long-run obligations in providing veterans' benefits and services are to this group. We must give them timely help to surmount the economic and physical handicaps sustained as the result of military service and to assist them to assume the full responsibilities of civilian life. In the last 2 years, substantial additional increases in compensation rates to dependents and to veterans of World Wars I and II have brought the rates to this group reasonably into line with the rise in the cost of living since 1939.

The remaining 17,000,000 veterans are practically all without service disabilities. The Government has made available liberal benefits to help all veterans of the two world wars make the transition from military to civilian life. The veterans of World War II, in particular, have received readjustment benefits to assist them in obtaining education, training, jobs, businesses, and homes. Most of the citizen-soldiers of World War II returned to civilian life 4 years ago and have had adequate opportunity to reestablish themselves in their communities. The original, sound purposes of the Servicemen's Readjustment Act have largely been served. Some of the benefits under the act have already terminated and the need for others, such as education and training benefits, is drawing to a close.

Veterans without service disabilities will continue to be eligible for liberal benefits under the permanent veterans' laws after the termination of temporary programs. At the same time, these veterans are eligible in many cases for benefits under the general social security programs of the Government. We now seek to improve and to broaden the general social security programs to provide protection against the economic hazards of old

age, disability, illness, and unemployment. The social security proposals pending in the Congress apply to all the people, including veterans. In the pending bill to improve the old-age and survivors insurance system, veterans would receive credit for the period of military service during World War II toward benefits under the system. On the other hand, proposals are also pending in the Congress to increase greatly the special programs for veterans, who with their dependents now comprise about two-fifths of our total population. There is real cause for concern that we may overlook the close relationship of these two systems and superimpose on the general system of benefits an overlapping and unwarranted series of special benefits for veterans.

I again urge that in considering new or additional aids for veterans without service disabilities, the Congress judge their neces-

sity not merely from the standpoint of military service, but also on the basis of benefits under the general social security, health, and education programs available to all the people, including veterans. Our objective should be to make our social security system more comprehensive in coverage and more adequate, so that it will provide the basic protection needed by all citizens. We should provide through the veterans' programs only for the special and unique needs of veterans arising directly from military service.

I am sure that our veterans are willing to share with other citizens in the benefits which can be gained for all through a positive program of economic and social advancement. They recognize that their best interest is inseparable from the best interest of the Nation. For a democratic Nation like ours can thrive only as all its citizens—veterans and nonveterans alike—are enabled

VETERANS' SERVICES AND BENEFITS

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Readjustment benefits (Veterans Administration):					
Education and training.....	\$2, 697	\$2, 718	\$2, 481	\$2, 681	.....
Unemployment and self-employment allowances..	510	153	61		
Loan guarantees.....	40	61	68		
Other	87	105	78		
Compensation and pensions (Veterans Administration).....	2, 154	2, 243	2, 237	2, 237	.....
Insurance (Veterans Administration).....	95	518	39	39	.....
Hospitals, other services, and administrative costs:					
Construction:					
Veterans Administration.....	34	82	157	(1)	.....
Corps of Engineers (Army).....	108	141	97		
General Services Administration.....	3	2	1		
Current expenses:					
Veterans Administration:					
Hospital and medical care.....	595	584	590	607	.....
Other activities.....	345	296	269	281	.....
All other agencies.....	2	2	2	2	.....
Total.....	6, 669	6, 905	6, 080	15, 847	.....

¹ This Budget also includes 160 million dollars of appropriations to liquidate prior year contract authorizations for hospital construction.

through fair and equal opportunities to live as self-respecting, self-reliant men and women in a free and prosperous country.

Readjustment benefits.—By the end of the fiscal year 1951 it is estimated that under the Servicemen's Readjustment Act 8,000,000 veterans will have received education and training benefits at a cost of 12.9 billion dollars, and that 9,000,000 will have drawn unemployment and self-employment allowances totaling 3.9 billion dollars. In addition 2,400,000 veterans will have obtained 13 billion dollars in loans for homes, farms, and businesses under the Government loan guarantee program for veterans.

The average enrollment in school, job, and farm training courses under the education and training provisions of the Servicemen's Readjustment Act is expected to decline from 1,986,000 in the current year to 1,837,000 in 1951 and to require expenditures of 2.5 billion dollars.

The education and training program, however, is now considerably bigger than had been expected. The average number of participants in 1950 is estimated at 400,000 above the level anticipated a year ago. Largely because of this unexpected increase I shall soon transmit to the Congress a supplemental appropriation estimate of about 700 million dollars to cover the higher expenditures now estimated for the current fiscal year. The bulk of the increase is in schools below the college level, particularly in trade and vocational schools. While enrollment in other courses is decreasing, enrollment in these courses is still increasing and in 1951 is estimated to average 936,000—41 percent higher than in 1949 and 14 percent higher than estimated for the current fiscal year.

The continued expansion of enrollment in schools below college level, more than 4 years after most veterans have been returned to

civilian life, raises the question whether this program still conforms to the original sound objectives of the Servicemen's Readjustment Act—to enable veterans to resume education or training interrupted by the war or to restore skills lost during military service. There is some question whether large numbers of veterans enrolled in these schools are in fact being trained for occupations for which they are suited and in which they will be able to find jobs when they finish their training. I have asked the Administrator of Veterans' Affairs and the Director of the Bureau of the Budget to study this situation thoroughly and to recommend to me any corrective measures, administrative or legislative, which should be taken to assure that our expenditures for this program yield a proper return both to the veterans and to the Nation as a whole.

Since July 1949, under the terms of the "GI bill", veterans discharged from service remain eligible for unemployment and self-employment allowances for only 2 years after date of discharge. On the average 59,000 claimants are expected to draw allowances, estimated at 61 million dollars, in the fiscal year 1951. This compares with an average of 1,400,000 veterans receiving allowances in the peak year of this program, fiscal year 1947.

Under the Government loan guarantee program, it is expected that 386,000 veterans will obtain loans, almost all for homes, amounting to over 2 billion dollars in the fiscal year 1951. The estimated outlays of 68 million dollars for this program are chiefly for the payment of the first year's interest on the guaranteed portion of the loans. Expenditures for losses on defaulted loans are now relatively small, although the contingent liability is sizable since the amount of the Government guarantees is now about 48 percent of the total loans. In addition to

guaranteeing veterans' loans, the Government also purchases guaranteed mortgages held by financing institutions. (Mortgage purchases are classified under housing and community development.)

The "other" expenditures for readjustment benefits cover allowances for burial expenses of veterans, tuition and supplies for disabled veteran trainees, and Government grants for special housing for certain seriously disabled veterans.

Compensation and pensions.—It is estimated that an average of 3,058,000 individuals and families will receive compensation and pension payments totaling more than 2.2 billion dollars in the fiscal year 1951. Beginning in 1951 disability retirement payments of 78 million dollars to 31,000 Reserve officers, shown in this item in prior years, have been transferred to the military retired pay account of the Department of Defense. Apart from this reclassification to national defense, there is an estimated net increase in 1951 of 99,000 in the average number of cases, and of 71 million dollars in expenditures over the current year, entirely for cases without service disabilities.

The 1951 expenditure estimate of 2.2 billion dollars includes 1.5 billion dollars in compensation for service-connected cases, covering an average of 344,000 families of deceased veterans and 1,981,000 veterans with disabilities. The compensation and pension total also includes 160 million dollars for subsistence allowances to service-disabled veterans in the vocational education and training program. Pension payments to an average of 732,000 non-service-connected cases in 1951 are estimated to total 553 million dollars, about two-thirds to living veterans and one-third to survivors of deceased veterans.

Insurance.—The Government reimburses the veterans' life insurance trust funds for

payments on account of deaths traceable to war hazards, and also pays directly certain claims to veterans who failed to meet the regular standards of insurability. The expenditures in the fiscal year 1950 include nonrecurring transfers of 413 million dollars to the national service life insurance fund arising from a resurvey of the Government's liability for such contributions. Expenditures in 1951 for insurance claims payable by the Government are estimated at 39 million dollars.

Hospital and domiciliary construction.—Construction of hospitals to provide 37,000 new beds and additional domiciliary facilities, costing 872 million dollars, is now about one-third completed. By June 1951 it is estimated that three-fourths of the work will have been done. When this program is finished, there will be sufficient beds to provide adequately for foreseeable needs for all service-connected cases and a more liberal allowance of beds than at present for non-service-connected cases. Obligational authority already available is more than adequate to meet the needs of the program now under way.

Hospital and other services and administration.—Current expenses for hospital and medical care are estimated at 590 million dollars in the fiscal year 1951. About four-fifths of these expenditures are for the inpatient care program, and in this program two-thirds of the cases currently are non-service-connected. A daily average of 138,000 patients in hospitals and homes is estimated for 1951, about 9,000 more than were cared for in 1949 and 4,000 more than in the current year. The other one-fifth of the expenditures is largely for the outpatient medical and dental care programs.

Other current expenses, which are chiefly the costs of administering and operating the nonmedical benefits programs and of general

VETERANS' LIFE INSURANCE FUNDS

(Trust accounts)

[Fiscal years. In millions]

<i>Item</i>	<i>1949 actual</i>	<i>1950 estimated</i>	<i>1951 estimated</i>
Receipts:			
Transfers from general and special accounts.....	\$89	\$487	\$33
Interest on investments.....	255	261	210
Premiums and other.....	431	446	465
	<hr/>	<hr/>	<hr/>
Total.....	775	1,194	708
Expenditures:	<hr/>	<hr/>	<hr/>
Dividends to policyholders.....	11	2,303	563
Benefits and other.....	382	427	436
	<hr/>	<hr/>	<hr/>
Total.....	393	2,730	999
	<hr/>	<hr/>	<hr/>
Net accumulation.....	382	-1,536	-291

administration of the Veterans Administration, are estimated to decline in 1951 to 269 million dollars.

Trust accounts.—The national service life insurance and Government life insurance trust funds operate as mutual insurance systems on a commercial pattern, except that no administrative expenses are paid by them and the amounts held in reserve and as surplus are invested in Government obligations by the Secretary of the Treasury. Veterans of World Wars I and II and present servicemen now hold about 6,800,000 active policies in these two systems. Premiums and earnings, supplemented by Government payments of over 4 billion dollars for claims involving deaths and disabilities resulting from extra hazards of military service, have built up assets in these two funds to an estimated 9.7 billion dollars at the present time.

The Government life insurance fund has been on a dividend-paying basis since 1921. A special dividend of 40 million dollars was paid early in the fiscal year 1950. The first national service life insurance dividend, amounting to an estimated 2.8 billion dollars and payable to all servicemen of World War II who hold or have held policies, has been declared. Payments are now scheduled to

begin shortly. It is estimated that 2.2 billion dollars will be disbursed in the current fiscal year and the balance in 1951 or later, as applications are filed. In the next few years a regular dividend schedule is to be established for national service life insurance. These dividends are not a Budget expenditure since they are paid from the trust funds.

SOCIAL WELFARE, HEALTH, AND SECURITY

The coming year will be an extremely significant one for the Nation's social security program. The decisions of the Congress on pending legislation will determine the direction which this country will follow in providing basic protection against the major economic hazards of old age, unemployment, illness, and disability. It is my strong belief that it is a responsibility of the Government to provide this protection, and to provide it in a manner that is consistent with our ideals of independence and self-reliance—through the already established and tested principle of contributory social insurance. This was the basic philosophy of the Social Security Act, in which the major role was given to social insurance, financed mutually by employers and em-

ployees, with benefits available as a matter of right without a means test. Public assistance was given only a supplementary role to fill in the diminishing gaps in insurance protection.

The effects of our failure in recent years to carry out this philosophy are already dramatized by the increase in the public assistance rolls. Because the protection of social insurance is so limited and inadequate, far too many people have been forced to seek public relief. In some States, for example, half the aged people are on the relief rolls. Approximately 2,700,000 aged people and 1,500,000 dependent children now receive public assistance. By contrast, only 1,900,000 aged persons receive insurance benefits and 800,000 children and their mothers receive survivors benefits under the old-age and survivors insurance system. Average old-age insurance benefits are only 26 dollars a month compared with average old-age public assistance benefits of 45 dollars.

Public demand for some form of basic financial protection against loss of earning power is evident in the keen interest of wage earners in industrial pension and insurance plans. There can be no question that our society can and should provide such protection. What I wish to emphasize is that the basic approach should be through a comprehensive public program of old-age, survivors, and disability insurance, rather than through a multiplicity of unrelated private plans, which would inevitably omit large numbers of the working population and treat others unequally. Private plans and voluntary insurance can then provide desirable supplemental protection.

I urge that the Congress enact legislation to expand and improve the old-age and survivors insurance system in accordance with the recommendations made last spring. Specifically, nearly all gainfully employed

people, including farmers and the self-employed, should be covered; benefits should be increased sharply; and disability should be added to the risks covered. It is also important that the tax base be raised to the first 4,800 dollars of earned income, not only to reflect changes in wage levels since 1939, but also to bring both receipts and benefits to proper levels.

The recommended program will cover about 85 percent of all employed people, and will thus gradually reduce the need for public assistance. In the meantime, however, it is necessary to provide some help for those persons not yet protected by social insurance, as well as for those who would need public aid even with an adequate social insurance system. I therefore renew my recommendation of last year that the program of Federal grants to States for public assistance be extended and improved. The proposal that I submitted to the Congress last spring was designed to permit Federal sharing in the cost of aid to needy persons excluded from the present program, as well as in the cost of essential medical and welfare services. It was also designed to make Federal grants more responsive to the financial resources of each State. Within the framework of general policy under the Social Security Act, the States are responsible for determining the size of benefit payments and the eligibility of individuals for assistance. In adopting amendments to the present program, we should continue to rely on the States to bear a considerable share of the financial responsibility.

In the field of health, I presented a set of recommendations to the Congress on April 22, 1949, outlining in some detail a program for the Nation, centering in a national system of medical-care insurance. Since that time, the extension and enlargement of the hospital construction program which I recommended has been enacted, and consider-

able headway has been made on some of my other recommendations. I hope that the Congress will soon complete action on legislation to increase Federal assistance to local health services. Strengthening of these is fundamental to our national health. In addition, legislation should be enacted to provide financial aid to medical and related schools to encourage the training of additional medical personnel. In the case of nurses, tuition scholarships and subsistence aids should be made available for training graduate nurses, and grants should be made to States for vocational education for practical nurses, to encourage more young women to enter the profession.

To fill in a major gap in our social security system, I again strongly urge the adoption of legislation providing for a comprehensive system of prepaid medical care insurance. This should be geared in with our other social insurance programs and financed predominantly by employer and employee contributions.

Action on these measures should no longer be delayed. We cannot in good conscience let our social security system remain in the blueprint stage, and allow relief programs to become our primary defense against want.

This Budget contains estimates for all of my proposals. The greater part of them would be financed through special taxes, with receipts going into Government trust funds and payments being made directly from the funds. Social insurance benefits, by providing support for the aged and disabled and their dependents, help to relieve individual families, employers, and communities of this burden. At the same time, by replacing the present haphazard arrangements with a comprehensive pattern of social insurance, we promote the stability of the economy and preserve the self-respect of all our citizens.

My proposals will add an estimated 271

million dollars to Budget expenditures in 1951, principally in the form of grants to States. Of this amount, 200 million dollars is for improvement of public assistance and 67 million dollars for health programs. These items, plus increases under existing legislation in these two fields, are expected to cause Budget expenditures for social welfare, health, and security to rise in the fiscal year 1951 to a level of 2.7 billion dollars, an increase of 417 million dollars over the current year. Aside from proposed legislation, the primary cause of the increase is a rise in grants to States for public assistance and hospital construction. Included in the total is 594 million dollars representing the transfer of pay-roll tax receipts to the railroad retirement trust fund.

I recommend again that the Federal Security Agency be given departmental status; its functions are so important to the domestic policies of the Government that the head of this Agency should be a member of the President's Cabinet.

Assistance to the aged and other special groups.—Grants-in-aid to States for public assistance to the needy aged, the blind, and dependent children are expected to reach 1.2 billion dollars in 1951 under the present program, with the Federal share averaging about 52 percent of total payments by State and local governments to these groups. For some time, the number of recipients has been increasing and now exceeds 4,000,000 persons; it is expected to average 4,600,000 during 1951. Average benefits are also expected to continue their rise. As a result, Federal expenditures will exceed those for the current year by an estimated 55 million dollars. The Budget contains an additional 200 million dollars as the first-year expenditure estimated for proposed legislation to cover all the needy and to put the program on a variable grant basis. The revised formula which I have recommended would relate grants to the

SOCIAL WELFARE, HEALTH, AND SECURITY

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Assistance to the aged and other special groups:					
Federal Security Agency:					
Public assistance:					
Present programs.....	\$922	\$1, 146	\$1, 201	\$1, 201	.....
Proposed legislation.....	.....	.....	200	250	.....
Vocational rehabilitation:					
Present programs.....	15	26	24	24	.....
Proposed legislation.....	.....	.....	4	4	.....
Other.....	4	2	2	2	.....
School lunch (Department of Agriculture).....	75	83	83	84	.....
Retirement and dependents' insurance:					
Railroad Retirement Board.....	579	603	594	594	.....
Federal Security Agency and other.....	5	10	7	7	.....
Promotion of public health:					
Federal Security Agency:					
Present programs.....	161	259	334	190	\$163
Proposed legislation:					
Aid to medical education.....	.....	.....	30	45	.....
Local health services.....	.....	.....	5	5	.....
Children's Bureau grants.....	.....	.....	7	10	.....
School health services.....	.....	.....	25	35	.....
General Services Administration and other.....	10	21	32	6	.....
Crime control and correction (Department of Justice and other).....	88	93	99	101	1
Indian welfare (Interior) and other.....	32	29	39	39	1
Accident compensation (Federal Security Agency) ..	15	25	28	28	.....
Total.....	1, 907	2, 297	2, 714	¹ 2, 625	165

¹ This Budget also includes 151 million dollars of appropriations to liquidate prior year contract authorizations.

financial resources of the individual States and would also permit the Federal share to be held within reasonable limits.

I am also proposing legislation to strengthen the Federal-State program of vocational rehabilitation and to provide additional opportunities for rehabilitation of the more severely handicapped. By enabling these people to become productive workers, instead of liabilities to their families and communities, we are enhancing our national supply of skills and productive ability. The Budget includes 4 million dollars for the first

year under the proposed legislation.

Railroad retirement insurance.—The amount of 594 million dollars included as an expenditure in the Budget is actually the transfer of special tax receipts to a trust account for payment of benefits to retired railroad workers and their survivors. Apart from credits for military service, the program is financed by taxes on railroad wages, shared equally by employees and employers. Under present law, the transfers of tax receipts to the fund must be made in advance of collection and thus interest begins to accrue

to the fund before the taxes are collected. To avoid this payment of interest on money not yet received, the Congress should direct that these taxes be transferred to the trust fund when received, as is now done with the old-age and survivors insurance taxes.

I recommend also that the Congress revise the procedure for making Federal Government payments for military service credits allowed to railroad employees. Such payments to the railroad retirement trust fund should be made annually in the years ahead on the basis of claims actually approved as workers retire. As the law now stands, these payments are made in advance, without adequate relationship to eventual requirements for actual benefits. To cover such future claims, 193 million dollars has already been advanced to the trust fund. Unless the law is amended as recommended in this Budget, further payments of approximately 33 million dollars will be required in each of the next four fiscal years.

Promotion of public health.—Federal expenditures for public health are mainly for grants-in-aid to States and for research. Of the 334 million dollars estimated for existing programs in the fiscal year 1951, 213 million dollars is for financial assistance to the States for general public health services and for a wide variety of special State and local programs, including hospital construction, maternal and child health, tuberculosis control, and mental health. The increase of 75 million dollars in expenditures over 1950 for existing programs is caused largely by a rise in grants to liquidate prior years' hospital construction authorizations. This program is helping communities throughout the Nation to reduce the hospital shortage.

Because adequate general public health services are basic in our health program, I am recommending that grants for this purpose be increased by 9 million dollars, bring-

ing them up to 23 million dollars, the maximum authorized under existing law. An additional 5 million dollars is included for proposed legislation to increase these grants beyond the existing ceiling. At the present time, most of the counties of this Nation lack, either wholly or in part, the basic local public health services which must form the foundation for our efforts to improve the Nation's health. The increase permitted by existing law will provide only a start toward meeting this serious deficiency. New legislation is, therefore, needed to remove the existing statutory ceiling and provide a sound basis for aiding States in the future development of adequate local health services.

Other proposed legislation is expected to add 62 million dollars to expenditures, of which 30 million dollars is for aid to medical education to increase enrollments in schools of medicine, nursing, dentistry, and public health, and 7 million dollars is for expansion of health and welfare services to mothers and children. Expenditures under pending legislation authorizing special health services to school children are estimated at 25 million dollars.

The direct research activities of the Public Health Service and the grants to individuals and institutions for research, teaching, and training, will require an estimated 47 million dollars in 1951, a moderate increase over 1950. No provision is made in this Budget for further expansion of Public Health Service grants to medical schools for undergraduate teaching and for construction of additional research facilities on the basis of special disease categories. This anticipates early enactment of legislation for general aid to medical education, which would contain adequate provisions for aid to medical schools in meeting their costs of teaching and in constructing additional facilities. Such legis-

lation would permit an integrated program of research and teaching at medical schools, which should be far more conducive to good results than separate financing for each major type of disease.

Trust accounts.—Under the old-age and survivors insurance, railroad retirement, and Federal employee retirement programs, benefit disbursements are made from the trust funds and are not included in Budget expenditures. On the receipts side, the pay-roll contributions for old-age and survivors insurance are transferred directly to the trust

fund and not included in total Budget receipts. Receipts and payments under the proposed health insurance program would also be handled in this manner. Railroad retirement taxes, on the other hand, are included in total Budget receipts and are transferred to the trust account as a Budget expenditure. The Government contribution to its employee retirement funds is, of course, a Budget expenditure (classified under general government).

The money in these trust funds is invested in Government securities, and the interest

SOCIAL WELFARE, HEALTH, AND SECURITY

(Major trust accounts)

[Fiscal years. In millions]

<i>Fund and item</i>	<i>1949 actual</i>	<i>1950 estimated</i>	<i>1951 estimated</i>
Federal old-age and survivors insurance trust fund:			
Receipts:			
Appropriation from general receipts.....	\$1, 690	\$2, 245	\$2, 515
Interest and other.....	233	261	303
Proposed legislation extending coverage, raising tax base, and adding disability benefits.....	.....	.....	1, 200
Payments of benefits and administrative expenses:			
Present programs.....	—660	—783	—867
Proposed legislation.....	.....	.....	—1, 433
Net accumulation (including proposed legislation).....	1, 263	1, 723	1, 718
Railroad retirement account:			
Receipts:			
Transfers from Budget accounts.....	574	602	594
Interest on investments.....	51	61	64
Payments of benefits, salaries, and expenses.....	—278	—314	—346
Net accumulation.....	347	349	312
Federal employees' retirement funds:			
Receipts:			
Employee contributions.....	328	374	353
Transfers from Budget accounts and other.....	230	306	337
Interest.....	124	140	163
Payments of annuities and refunds, and expenses.....	—221	—255	—276
Net accumulation.....	460	566	578
Medical care insurance trust fund (proposed legislation):			
Receipts from pay-roll contributions.....	.....	.....	250
Payment for initial expenses.....	.....	.....	—35
Net accumulation.....	.....	.....	215

earned is added to the principal of each trust fund. Accumulated assets now total 18 billion dollars.

Under present law, the old-age and survivors insurance tax rate advanced on January 1, 1950, to 1½ percent each for employers and employees. In view of the recommended increase in benefits and addition of disability coverage, I propose that the further tax increase to 2 percent each, presently scheduled for January 1, 1952, be moved up to January 1, 1951. The proposed legislation would raise benefits in the fiscal year 1951 from about 800 million dollars under existing law to approximately 2.2 billion dollars. Thereafter disbursements for benefits can be expected to climb gradually as claims mature. The 4 percent combined tax should produce revenues of approximately 5 billion dollars a year with employment at a high level, so that for the next several years reserves would continue to accumulate.

A period of preparation will be required to set up the health insurance system. I am proposing that in the meantime a small pay-roll tax of one-fourth of 1 percent each on employers and employees become effective January 1, 1951, to defray initial expenses. Setting up this tax will also make possible the establishment of eligibility and other administrative records.

HOUSING AND COMMUNITY DEVELOPMENT

Last year the Congress adopted as the declared objective of national housing policy "a decent home and suitable living environment for every American family." Real progress has been made toward achieving this goal. Private enterprise, with extensive Government assistance, built a million new houses last year, more than ever before, and at generally reduced prices. Far-sighted new legislation was enacted, which gives

practical support to private and local initiative in clearing slums and developing our cities, in providing special assistance for low-income families in cities and on farms, and in promoting better methods and lower costs for all types of housing construction.

Our task this year is twofold. We must continue to push ahead rapidly in carrying out these major new programs. We must also further improve Federal housing legislation. In particular, to close the biggest remaining gap, I am recommending legislation which will aid middle-income groups to obtain adequate housing they can afford.

Budget expenditures for housing and community development are estimated at 1.3 billion dollars in 1951. Of this total, almost 1 billion dollars, or about 75 percent, represents the current estimate of expenditures for mortgage purchases by the Reconstruction Finance Corporation to support the private mortgage market. The Corporation will subsequently be reimbursed for its expenditures in buying these mortgages, either through collections or through sale to private institutions.

Most of the Federal expenditures for housing and community development, including mortgage purchases, are financed by public debt authorizations rather than by appropriations. The public housing and urban redevelopment programs will require relatively small appropriations in the early years, with substantial increases in later years. The Federal Housing Administration insures each year about 3 billion dollars in private home mortgages, but since this is an insurance operation it has only a minor effect on current Budget expenditures.

Federal Housing Administration.—Almost half the record volume of private new housing now under construction is being financed with mortgages insured or guaranteed by the Federal Government, largely by the Federal Housing Administration, and

HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Expenditures			New obligational authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Aids to private housing:					
Housing and Home Finance Agency:					
Federal Housing Administration (present programs and proposed legislation):					
Current operations.....	—\$33	—\$34	—\$30	.....	.....
Investments in United States securities.....	30	42	31	.....	.....
Home Loan Bank Board: ¹					
Home Owners' Loan Corporation.....	—119	—198	—134	.....	.....
Federal Savings and Loan Insurance Corporation:					
Current operations.....	—15	—16	—18	.....	.....
Investments in United States securities....	15	17	18	.....	.....
Loans to middle-income cooperatives (proposed legislation).....	.....	.....	50	\$35	\$25
Reconstruction Finance Corporation:					
Mortgage purchases.....	407	940	990	.....	250
Loans to prefabricators and builders, and other.	25	52	45	.....	.....
Loans to housing cooperatives (proposed legislation).....	.....	10	30	.....	.....
Department of Agriculture.....	.....	20	45	.....	50
Public housing program:					
Housing and Home Finance Agency:					
Public Housing Administration:					
Low-rent housing.....	—11	99	136	41	.....
War housing and other.....	53	19	—3	.....	.....
Reconstruction Finance Corporation and other....	—1	—1	—1	.....	.....
General housing aids: Housing and Home Finance Agency.....	1	7	8	6	.....
Slum clearance and community development (including community facilities):					
Housing and Home Finance Agency.....	.....	11	58	.....	325
Reconstruction Finance Corporation.....	—83	18	48	.....	.....
General Services Administration and other.....	12	20	50	30	54
Disaster relief (proposed legislation).....	.....	.....	5	5	.....
Total.....	282	1,006	1,329	² 117	704

¹ Stand-by borrowing authority of 1,750 million dollars is recommended to become available in 1950.² This Budget also includes 18 million dollars of appropriations to liquidate prior year contract authorizations.

also by the Veterans Administration (classified under veterans' services and benefits). By removing all major risks from mortgage lending, these insurance and guarantee programs make it possible for American families to buy housing on substantially better terms

than they could obtain otherwise. About 350,000 other families now live in rental housing which was financed by Government-insured mortgages. In the case of both sales and rental housing, established procedures of the Federal Housing Administration, in-

cluding inspections, provide assurance that recognized housing standards are met.

As long as favorable economic conditions continue, income from premiums and other sources will exceed expenses and permit substantial investment in Government securities to build up reserves against possible later losses.

In the past year the mortgage insurance program has successfully stimulated construction of rental housing and lower-cost housing for sale. I have already recommended additional legislation to encourage further the construction of lower-cost housing for sale. I shall shortly transmit recommendations to provide, on a permanent rather than an emergency basis, a more effective stimulus to lower rental housing. For both rental and sales housing, the new proposals would also provide needed incentives to construction of units of adequate size for family living.

Reconstruction Finance Corporation.—Since last spring, the Federal National Mortgage Association, a subsidiary of the Reconstruction Finance Corporation, has been making heavy purchases of mortgages from private lenders, of which the major portion is guaranteed by the Veterans Administration. These purchases have made it possible for veterans in all parts of the country to buy houses on the advantageous terms offered under the Servicemen's Readjustment Act. Substantial commitments to purchase mortgages insured by the Federal Housing Administration have also been particularly helpful in assuring the availability of adequate funds for rental housing construction.

The continuing need for a stand-by secondary market does not mean that Government purchases should be regarded as a permanent substitute for private financing. Accordingly, the administration of this program will be directed toward encouraging private lenders to hold a larger portion of

these mortgages as well as to repurchase the mortgages previously sold to the Federal Government. Important administrative steps are being taken but they can be only gradually effective, and substantial future expenditures will be necessary to carry through on the large volume of commitments already outstanding. Estimated commitments will exhaust the present authorization of 2.5 billion dollars shortly after the close of the current fiscal year. Because the rate of commitment is uncertain, I am recommending an additional 500 million dollars in public debt authorizations in fiscal year 1950 and 250 million dollars in 1951.

Prospective expenditures for mortgage purchases cannot be estimated accurately, since their amount depends largely on whether private lenders decide to hold the mortgages as permanent investments or to sell them to the Government. For example, the initial estimate a year ago of 200 million dollars in such purchases for the fiscal year 1950 was later revised upward to 1.3 billion dollars and is now reduced to 940 million dollars.

The Reconstruction Finance Corporation also has special authority to lend up to 50 million dollars to producers of prefabricated housing and large-scale builders using advanced construction methods. I recommend that the Corporation be authorized to lend an additional 25 million dollars for these and related purposes. The accomplishments of this program to date have been below our expectations, but the potential benefits from the development of new housing production methods are so great that I believe a further limited investment of Federal funds, building upon the experience already gained, will yield good returns.

Cooperative housing for middle-income families.—Even with these various Federal aids, enough private housing of the right types is not yet being produced generally

throughout the country at prices which families with modest incomes can afford. As a necessary supplement to our other housing programs, I am recommending new legislation to authorize Federal assistance to cooperatives and nonprofit corporations in building and managing housing projects. Under the plan I am proposing, the Federal Government would provide technical assistance in organizing housing cooperatives and adequate arrangements for their financing. Through financial and other savings, material reductions in rents or charges are anticipated.

Because of the limited American experience with housing cooperatives, this program initially must be viewed as experimental, and cannot be expected to attain a large volume in 1951. With proper Federal leadership and assistance, however, it offers real promise that middle-income families will be able to help themselves obtain good housing at costs within their means.

Home Loan Bank Board.—This Board supervises the operation of the Home Owners' Loan Corporation, the Federal home-loan banks, and the Federal Savings and Loan Insurance Corporation.

The Home Owners' Loan Corporation is rapidly liquidating the remainder of its mortgages by selling them to private lenders. During the depression years, the Corporation made more than 3 billion dollars in loans, thus enabling over 1,000,000 families to keep their homes. By the end of the fiscal year 1951, all of these loans will be repaid or sold.

Savings and loan associations supervised by the Federal home-loan banks provide roughly a third of all home-mortgage financing. The share accounts of most of these associations are insured by the Federal Savings and Loan Insurance Corporation. The favorable experience of these associations in recent years has permitted the Corporation

to build up reserves against possible future losses. To further protect investors in these associations in the event of future emergency, I again recommend legislation to provide, on a stand-by basis, authority for both the Federal home-loan banks and the Insurance Corporation to borrow from the Treasury. These provisions, which should become effective in 1950, would be roughly comparable to the Federal assistance already available for the commercial banking system. As in the case of the banking system, moreover, they should be accompanied by measures to authorize more rapid repayment of the Federal Government's investment in these institutions, and to provide more effective and specific authority for the Home Loan Bank Board to regulate lending by the member institutions.

Farm housing.—During the first 2 years of the new farm housing program, about 40,000 low-income farmers will receive help in obtaining better housing. In 1951, the Department of Agriculture will lend an estimated 45 million dollars, as well as provide general technical assistance and some direct grants for farm repairs and improvements.

Public housing programs.—The Public Housing Administration and local housing authorities throughout the country have been taking the steps necessary to get the new low-rent public housing program promptly under way. Preliminary loans have already been authorized to assist 227 communities plan projects which will comprise an estimated 220,000 dwelling units.

Our goal is to have 175,000 units under construction or completed by the end of the fiscal year 1951. Most of the Federal expenditures during this period will be for temporary loans for planning, site acquisition, and initial construction. Private funds will be used for much of the construction financing and nearly all of the permanent financing. The Federal Government indi-

rectly guarantees the local housing authority obligations issued for these purposes by contracting to pay annual contributions sufficient to maintain the low rents required for the projects.

In addition, the Public Housing Administration supervises the management and disposition of 450,000 permanent and temporary housing units constructed to meet emergency war and veterans' needs. In the fiscal year 1951, an estimated 20,000 permanent units will be sold and 38,000 temporary units will be transferred to local agencies or demolished. This disposition of both types of housing can be accelerated if the Congress enacts the amendments to basic legislation which I have previously recommended. Expenditures of these programs are more than covered by receipts from sales and rentals; in addition to covering current expenses, receipts from sales and rentals will result in 62 million dollars in miscellaneous receipts to the Treasury in the fiscal year 1951.

General housing aids.—Under recent legislation, the Housing and Home Finance Administrator is initiating the comprehensive program of housing research which I have long advocated as a necessity to achieve our national housing objective. The long-range objective of this program is to improve knowledge about housing in order to aid in cost reduction and in stimulating the increased and sustained production of housing. Emphasis is being placed upon development of research plans with full participation by other interested public and private groups, so as to assure the maximum possible utilization of existing information and research facilities.

Slum clearance and community development.—Orderly development and redevelopment of our cities and metropolitan areas is essential if we are to realize the full potential growth in production and living standards

in the decades to come. Each city clearly has the primary responsibility for initiating and carrying through the far-reaching reconstruction plans required to meet its peculiar needs.

Under the provisions of the new slum clearance and community redevelopment program, the Federal Government now can provide financial assistance needed to augment local resources. Actual development will necessarily proceed gradually, area by area, with carefully planned provision for the housing of families displaced from slum areas and for the uses most appropriate for the redeveloped areas. For the first 2 years of the program, Federal expenditures will comprise loans to local public agencies to help them prepare plans and begin acquisition of sites. When acceptable local project plans are presented, the Federal Government contracts to pay a maximum of two-thirds of all net project costs. Contracts for loans and grants up to 325 million dollars for the fiscal year 1951 are authorized in the basic statute. The grants will not actually be paid until several years hence when the land assembly projects are completed, the redeveloped land sold or leased, and net project costs finally determined.

The Reconstruction Finance Corporation will continue to lend to public agencies for transit lines, tunnels, and other self-liquidating projects in cases where private financing is not initially available on reasonable terms. Private refinancing last year of the large outstanding loan to the Triborough Bridge and Tunnel Authority has made sufficient funds available to finance the new commitments currently anticipated.

Under legislation enacted last year, the General Services Administration is again making advances to State and local governments for public works planning. These advances are repayable when the actual construction occurs. The 2-year program of 100

million dollars will permit preparation of plans for public works estimated to cost more than 3 billion dollars. Every effort is being made to achieve proper coordination in the planning of Federal, State, and local public works and to emphasize projects most appropriate in the event of possible economic emergencies.

Major disasters in the future as in the past will from time to time require prompt Federal assistance to stricken communities. I again urge enactment of pending legislation to provide in advance adequate funds to meet such needs.

EDUCATION AND GENERAL RESEARCH

If education and research are to play their full role in strengthening our democratic society, we must expand our basic research, we must devise types of education that will prepare youth more effectively for participation in modern society, and we must provide better educational opportunities for more of our people.

It is predominantly a responsibility of all government—local, State, and Federal—to provide for the education of our citizens. The Federal Government for many years has given financial aid to special aspects of education, such as vocational education, and to institutions for special groups, such as Howard University. It has become increasingly evident that Federal support of a more general character is needed if satisfactory educational opportunities are to be made available for all. The Nation cannot afford to waste human potentialities, as we are now doing, by failing to provide adequate elementary and secondary education for millions of children and by failing to help hundreds of thousands of young people who could benefit from higher education.

The importance of this need requires that

we provide substantial Federal assistance to States for general educational purposes and for certain other important programs in this field.

To progress toward these objectives, this Budget includes expenditures for education and general research (not including large amounts in veterans, national defense, and other categories) of 434 million dollars in the fiscal year 1951, compared with 125 million dollars in 1950. More than three-fourths is for grants to States. The increase is entirely accounted for by the additional expenditures in 1951 resulting from the new legislation I am recommending. This legislation will entail a further moderate increase in later years.

Promotion of education—Elementary and secondary.—The high mobility that characterizes our people means that no State is immune to the effects of ignorance and illiteracy in other States. The welfare of the Nation as a whole demands that the present educational inequalities be reduced. Educational inequalities are primarily due to differences in the financial resources of States and localities. Income per capita in some States is less than half as great as in others. The States with the lowest incomes have the greatest proportion of school-age children and are unable to finance a fair educational opportunity even with greater effort in terms of tax burden.

School enrollments in practically every State have risen recently and will continue to rise owing to the increased birth rate. Millions of our children are now taught in overcrowded classrooms. For others education is provided only on a part-time basis. At the very time when we need more and better teachers, schools must still employ tens of thousands whose qualifications do not meet the standards necessary to provide a satisfactory quality of teaching. Because

salaries are generally inadequate, too few capable young people are preparing to enter the teaching profession.

For these reasons I urge the Congress to complete legislative action to permit the Federal Government to aid the States in support of the maintenance and operation costs of a basic minimum program of elementary and secondary education. The Budget provides for beginning this aid in the fiscal year 1951.

There is a shortage of school buildings in many parts of the country due to the wartime deferment of construction and the increase in the school-age population. In many localities the need for facilities results from the sudden and substantial impact of

Federal activities. I recommend that the Congress enact legislation providing for grants to States for surveys of their need for facilities and their resources, and grants for the construction of buildings in those particular areas where Federal activities have been responsible for increased enrollments.

For a number of years several Federal agencies, under separate authorizations, have been helping to finance the education of children living on Federal property and in communities affected by Federal activities. I recommend that the Congress enact general legislation to establish a single program for all Federal agencies.

Promotion of education—Higher education.—Large numbers of young people and

EDUCATION AND GENERAL RESEARCH

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Promotion of education:					
Present programs:					
Office of Education (Federal Security Agency) . .	\$33	\$34	\$37	\$38	.....
General Services Administration and Interior . .	6	8	(¹)	(¹)	.....
Proposed legislation:					
Elementary and secondary education:					
General aid for operating expenses . . . . .	.....	.....	290	300	.....
Surveys and emergency construction . . . . .	.....	.....	22	45	.....
Children on Federal property and in emergency areas . . . . .	.....	.....	7	7	.....
Higher education: General assistance to college students . . . . .	.....	.....	1	1	.....
Educational aid to special groups	3	7	12	² 4	\$1
Library and museum services	9	11	12	12	.....
General purpose research:					
Department of Commerce:					
Seventeenth decennial census	2	45	33	30	.....
Other Census Bureau programs	6	7	7	7	.....
National Bureau of Standards	10	12	11	10	6
National Science Foundation (proposed legislation) . . . . .	.....	.....	(¹)	1	.....
Other agencies	1	1	(¹)	.....	.....
Total	70	125	434	² 455	7

¹ Less than one-half million dollars.

² This Budget also includes 2 million dollars of appropriations to liquidate prior year contract authorizations.

adults wish to continue their education beyond high school in order to prepare for entrance to professional schools, to receive additional technical or vocational training or to round out their general education. For many of our people, postsecondary education on a part-time or full-time basis, provided in institutions located within commuting distance of home, would meet their needs at low cost. Several of the States are now developing community institutions for this purpose. I have asked the Federal Security Administrator to make a comprehensive study of this development in order to determine whether the Federal Government might appropriately take any action to encourage the States and localities to establish and expand "community colleges."

Primarily because of low family incomes and of the high costs involved, more than half of our young people who could benefit from a college education are now unable to attend. This failure to develop to the fullest extent the capacities of our young people is a matter of national concern. As a step toward correcting this situation, I shall transmit to the Congress a legislative proposal to authorize a limited Federal program to assist capable youth who could not otherwise do so to pursue their desired fields of study at the institutions of their choice.

This Budget includes 1 million dollars as a tentative estimate of appropriations needed in the fiscal year 1951 to establish the required organization and to initiate the program. Assistance to students would begin in the fiscal year 1952.

National Science Foundation.—The Government is investing hundreds of millions of dollars in research—primarily in applied research in the military, atomic energy, and health fields. We must consider, however, not only the ways in which the great reservoir of scientific knowledge already at our disposal can best be utilized, but also the

best paths to follow for the discovery of further basic knowledge. To this end, we urgently need a National Science Foundation to stimulate basic research and to assure an effective balance among the Federal research programs. By developing a national research policy and by formulating a truly national research budget it should be possible to relate the activities of public and private institutions in a concerted effort to advance the frontiers of knowledge. The Budget provides 500 thousand dollars for the initial administrative expenses of the proposed National Science Foundation, in the expectation that the Congress will enact legislation, already passed by the Senate, to establish it.

Seventeenth decennial census.—The seventeenth decennial census of population, housing, and agriculture, to be taken this year, will provide basic data essential to important decisions by businessmen, governments, and other groups throughout the Nation. Expenditures for the census, estimated at 45 million dollars in 1950, will drop to 33 million dollars in 1951, and continue to decrease in succeeding years as tabulation and publication of the results are completed.

AGRICULTURE AND AGRICULTURAL RESOURCES

American agriculture is in a period of transition from the peak production requirements of the war and immediate postwar years to the normal requirements of a peacetime economy. During the war, every effort was made to increase agricultural production to meet the needs of our war economy and of our allies. In some cases desirable long-run goals for conservation of soil resources were deferred in the effort to increase production and to minimize the manpower requirements in agriculture. War dislocations and crop shortages abroad created an abnormal export demand for food

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Loan and investment programs:					
Department of Agriculture:					
Commodity Credit Corporation.....	\$1,600	\$1,533	\$952	.....	(¹)
Farmers' Home Administration.....	123	26	26	\$35	\$110
Rural Electrification Administration.....	305	362	436	10	450
Other programs.....	-63	6	-1	10	.....
Other agencies.....	(²)	3	2	2	.....
Other financial aids:					
Department of Agriculture:					
Conservation and use (including acreage allotments and marketing quotas).....	182	285	314	319	.....
Removal of surplus agricultural commodities..	75	86	114	110	.....
Sugar Act.....	56	63	69	68	.....
International Wheat Agreement.....	.....	82	76	82	.....
Other agencies.....	-2	(²)	(²)	.....	.....
Agricultural land and water resources.....	59	64	68	68	.....
Other development and improvement of agriculture:					
Present programs.....	177	161	149	169	20
Commodity Exchange Authority (proposed legislation).....	.....	.....	1	1	.....
Total.....	2,512	2,671	2,206	875	580

¹ Additional borrowing authority of 2 billion dollars is recommended, to become available in the fiscal year 1950.

² Less than one-half million dollars.

grains and a few other farm products, financed largely by United States foreign relief and aid programs. In the next few years, this abnormal demand can be expected to adjust to a more normal level and distribution pattern for world trade.

Although this transition from war to peacetime needs has caused a decline in farm prices and a loss in farm income, the operation of Government price supports has served to cushion the decline and has been a major factor in preventing a serious post-war recession in the economy as a whole. The resulting benefits to workers and employers, as well as to farmers, have been many times the outlay of Federal funds. As the necessary adjustments in agriculture are completed, we should look forward to a re-

duction in budgetary expenditures for this purpose. The need for food and fiber products will continue to expand as our national income and population increase. Production on existing land, however, must be gradually shifted from the grains and cotton to livestock and dairy production, permitting marginal lands, whose soil is in danger of loss from erosion of wind and water, to be put back into pasture and soil-conserving crops. It is important that Government programs facilitate these adjustments within agriculture as well as between agriculture and the rest of the economy.

Federal agricultural programs, in addition to promoting adjustments in agriculture and stimulating conservation of soil resources, are designed to improve the efficiency of

farm production, to provide low-income farmers an opportunity to improve their economic status, to assure farmers generally a reasonable stability in farm income, and to improve the level of rural living.

Total Federal expenditures for agriculture and agricultural resources increased from 2.5 billion dollars in 1949 to an estimated 2.7 billion dollars in 1950. Both years reflect the operation of price-support programs as farm prices declined. A decrease of 465 million dollars is expected in 1951, resulting from smaller outlays on price supports as acreage allotments and marketing quotas serve to reduce production of some 1950 crops, particularly cotton and corn.

Price support.—Net outlays of the Commodity Credit Corporation amounted to 1.6 billion dollars in 1949. This was the first year since before the war that mandatory price supports have resulted in large cash expenditures and the accumulation of loans and inventories in the hands of the Corporation. Expenditures in 1950, estimated at 1.5 billion dollars, will be largely for corn and cotton, with smaller outlays for peanuts, rice, tobacco, milk and milk products, potatoes, beans, cottonseed, linseed oil, and various other products. Approximately 90 million dollars of the expenditures will be for construction of new grain-storage facilities. In 1951, estimated Commodity Credit Corporation expenditures decline to 952 million dollars because of the expected effects of acreage allotments and marketing quotas on the 1950 crops. In later years, price-support expenditures should decline further as production is adjusted to normal demand.

Estimates for price-support expenditures are, of course, highly tentative, since the actual expenditures depend upon many factors which cannot be accurately forecast, such as the volume of exports, the rate of domestic consumption, and the influence of insects and weather conditions on yields.

The operation of price supports has resulted in the accumulation of large inventories, particularly of cotton, wheat, and corn. These commodity inventories represent assets which provide insurance against possible crop shortages in future years. It is estimated that the financial requirements of the Commodity Credit Corporation in the fiscal year 1951 may exceed its present borrowing authorization. I recommend that the Corporation be given an additional borrowing authority of 2 billion dollars, to be available beginning in 1950.

Farmers' Home Administration.—The Farmers' Home Administration provides management assistance to low-income farmers, and makes loans for farm enlargement and development, production and subsistence, water facilities, homesteads, and farm housing. (Farm housing loans financed under the borrowing authorization provided in the Housing Act of 1949 are classified under housing and community development.) The apparent decline in expenditures for the Farmers' Home Administration in 1950 and 1951 compared with 1949 is due to a shift in financing provisions. In 1949, loans were financed from appropriated funds, and all loans were shown as expenditures, with collections on old loans going directly into miscellaneous receipts of the Treasury. In 1950 and 1951, most of the loan programs will be financed by a borrowing authorization, and the expenditure figure will reflect loans less collections.

Rural electrification and rural telephones.—On June 30, 1949, approximately 78 percent of all farms were electrified. As coverage is gradually extended to the remaining areas, Rural Electrification Administration loans for electrification will decline. Beginning in the fiscal year 1950, the Rural Electrification Administration will also make loans to rural telephone cooperatives and other independent telephone companies

under recently enacted legislation. Loans for this purpose are expected to increase in 1951. Net loan expenditures of the Rural Electrification Administration are estimated to be 427 million dollars in 1951, compared with 355 million dollars in 1950 and 299 million dollars in 1949. I recommend that the Rural Electrification Administration be given new loan authority for the fiscal year 1951 amounting to 450 million dollars, of which 50 million dollars will be available for the rural telephone loan program.

Conservation.—The Soil Conservation Service provides technical advice and assistance to farmers in establishing a sound program of farm management to insure adequate protection and development of soil resources. Conservation practices are also encouraged through the agricultural conservation payments program carried out by the Production and Marketing Administration. By the end of the fiscal year 1951, about 90 percent of the farms of the country will be in organized soil conservation districts. Progress is being made in the preparation and application of desirable farm management plans for the adequate protection of our soil resources, but still greater emphasis will need to be given in future years to soil and water conservation, including the Department's upstream and on-the-farm flood-control program, to reduce siltation in the downstream areas and to enhance the value of projects constructed by the Bureau of Reclamation and the Corps of Engineers.

Expenditures for the Soil Conservation Service and for flood-control work of the Department of Agriculture are expected to increase from 64 million dollars in 1950 to 68 million dollars in 1951. Expenditures for the conservation and use program and for administering acreage allotments and marketing quotas are estimated to be 314 million dollars in 1951 compared with 285

million dollars in 1950 and 182 million dollars in 1949. I am recommending that the advance authorization for the conservation and use program in the 1951 crop year, which will largely determine expenditures in the fiscal year 1952, be maintained at the 1950 crop year level of 285 million dollars.

Other financial aids.—Under the terms of the International Wheat Agreement, the United States will export 168 million bushels of wheat each year for 4 years at a price not in excess of \$1.80 a bushel. In return, importing countries have agreed to buy the wheat at not less than certain specified minimum prices. In the first year, the effective export price for United States wheat is \$1.80. It is estimated that the Commodity Credit Corporation, through which the program is financed, will spend 82 million dollars in the fiscal year 1950 to bridge the gap between the \$1.80 export price and the higher domestic market price. In 1951, such costs are estimated at 76 million dollars. The Corporation is to be reimbursed for each year's cost of the Wheat Agreement from appropriated funds. In 1951, an appropriation of 82 million dollars is recommended to reimburse the Corporation for the cost of the Wheat Agreement in the fiscal year 1950.

Additional financial aid is provided for farmers through the Sugar Act of 1948 and through the permanent appropriation for removal of surplus agricultural commodities. Expenditures under the Sugar Act depend on the volume of domestic sugar production for which sugar growers receive payments at the rates determined in the legislation. It is estimated that expenditures under the Sugar Act will be 69 million dollars in 1951. The permanent appropriation for removal of surplus agricultural commodities, established in 1935, provides a fund each year equal to 30 percent of customs duties. In 1951, it is estimated that 110 million dollars will be available in this fund.

Other development and improvement of agriculture.—Included in this category are the continuing basic services for agriculture, such as research on crop varieties, livestock and poultry, and the production and marketing of farm products; control and eradication of insects and plant and animal diseases; payments to States for experiment stations and cooperative extension work; and the general overhead expenses of the Department. For 1951, I recommend legislation to strengthen the regulation of commod-

ity exchanges by the Commodity Exchange Authority.

NATURAL RESOURCES

This Nation has learned in recent years what it means to have limited natural resources. Our soil, forests, water, and minerals have been drawn upon prodigiously to support two major wars and the rapid economic growth of our country. If we are to continue to expand production and employ-

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Expenditures			New obligational authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Atomic energy:					
Atomic Energy Commission.....	\$621	\$673	\$817	\$266	\$334
Other agencies.....	1	(¹)	.....	.....	.....
Land and water resources:					
Corps of Engineers (Army, civil functions).....	401	486	563	557	.....
Department of the Interior:					
Bureau of Reclamation.....	240	334	398	355	.....
Bonneville Power Administration and Southwestern and Southeastern power systems....	29	42	55	37	28
Research in utilization of salt water (proposed legislation).....	.....	.....	1	1	.....
Other.....	32	43	48	47	8
Tennessee Valley Authority (net).....	27	52	96	108	.....
Department of State and other.....	4	7	13	9	.....
Forest resources:					
Forest Service and other (Agriculture).....	63	76	82	84	.....
Department of the Interior.....	3	3	2	1	.....
Mineral resources:					
Bureau of Mines and other Interior.....	29	37	36	35	.....
Department of the Navy and other.....	13	18	20	15	.....
General resources surveys (Interior).....	13	16	20	20	.....
Fish and wildlife resources (Interior and other)....	18	28	29	26	(¹)
Recreational use of resources:					
Department of the Interior.....	19	29	38	31	.....
Baltimore-Washington Parkway (proposed legislation).....	.....	.....	2	3	.....
Total.....	1,512	1,845	2,218	² 1,594	370

¹ Less than one-half million dollars.

² This Budget also includes 500 million dollars of appropriations to liquidate prior year contract authorizations.

ment we must use our remaining resources with the greatest possible effectiveness, following sustained-yield principles, developing resources as yet unused, and restoring where possible the resources we have depleted.

A large share of the responsibility for such action falls upon the Federal Government, with respect to both resources on public lands and resources in private ownership. Atomic energy development depends upon our pressing ahead with the present Federal program on a broad scale. Continued economic growth in large areas of our country depends upon steady progress in Federal investment for flood control, reclamation, electric power, and related facilities. The wisdom with which we utilize our mineral resources will influence our economic strength and security for generations to come. Continued public investment in these areas is a prerequisite in many fields to the expansion of the private investment which we want to encourage.

The dollars which the Federal Government spends on these programs are largely investment dollars. In many cases, such as irrigation, power projects, and the management and improvement of public lands and forests, the activities are wholly or partially self-liquidating. In all cases, economic benefits will accrue to the Nation for many years.

The 1951 Budget provides for total expenditures of 2.2 billion dollars in this area, an increase of 373 million dollars from 1950. Over one-third of the total and of the increase is attributable to expenditures for atomic energy. The balance represents primarily the requirements of projects under way in the fields of flood control and reclamation. This Budget provides for no new projects in these areas. Despite the large number of highly meritorious projects which

have already been authorized for construction, we should not at this time add to the present high level of commitments. This policy is necessary both because of our overall fiscal position and in order to provide the greatest possible measure of stability, under present economic conditions, in the rate of Federal public works expenditures.

Atomic energy.—The United States is seeking both to develop atomic energy for national defense purposes and to realize the great promise in its use for industrial and other peacetime purposes. Our atomic energy development program is a large venture in diverse fields—scientific research, medicine, engineering, industry—and will continue to require substantial outlays in the next few years.

The 1951 expenditures include increased amounts for the production of fissionable materials and weapons, and for the advancement of the science and technology of atomic energy, including accelerated construction of new facilities and development of new types of nuclear reactors. It is principally through the development of new reactors to produce fissionable materials and radioisotopes, generate power, and propel ships and aircraft, that the Atomic Energy Commission expects to evolve means of utilizing for peaceful purposes the energy released by nuclear fission.

Land and water resources.—We have learned a great deal in recent years about the extensive benefits which can be achieved by proper development of our land and water resources—including navigation, flood control, reclamation, power development, soil and forest conservation, preservation of fish and wildlife, and recreation. In the interest of sounder and more efficient programs in later years, emphasis in this Budget is placed on more thorough investigation and advance planning, and on assembling more

complete basic data. However, the framework of Federal legislation and administrative organization under which we are carrying on development programs is in many respects inadequate and obsolete.

In order to obtain a thorough review of the present basic legislation, I have created by recent Executive Order a Water Resources Policy Commission, which will make recommendations later this year with respect to the broad policies which should guide Federal participation in the development, conservation, and use of water resources—both upstream and downstream—and closely related land-use activities. On the basis of these recommendations, I expect that it will be possible to propose up-to-date and effective policies for the Federal, State, local and private efforts which are needed to make proper use of water resources throughout the country. Some changes in present Federal legislation can and should be made at this session of the Congress, but major changes should be deferred until the Commission's recommendations are available.

We also need to find more effective arrangements for administering Federal laws and programs concerning land and water-resource development. I have already recommended that the Congress authorize the consolidation of a number of Federal activities in the Pacific Northwest into a Columbia Valley Administration, and provide for its proper integration with other Federal agencies and with State and local responsibilities. In other areas also we should be alert to the opportunities for better administrative arrangements, building on successful experience in the Tennessee Valley and elsewhere, and adapting organizational patterns to the particular circumstances of different regions.

The activities of the Bureau of Reclamation and the flood-control program of the Corps of Engineers, involving the construc-

tion of dams, power facilities, canals, channels, and levees, will be limited in 1951 to continuation of work on projects started in prior years. Bureau of Reclamation projects now under way will require an expenditure increase of 64 million dollars in 1951. Expenditures required in 1951 to continue going work of the Corps of Engineers will increase by 77 million dollars over the 1950 total.

The expenditures by the Corps of Engineers and Bureau of Reclamation will result in materially increased power facilities in the next few years. In addition, continuing progress on the existing programs of the Bonneville and Southwestern power systems will result in a further increase in transmission facilities. An increase of 44 million dollars is recommended for the Tennessee Valley development, notably for expansion of power facilities to meet the growing needs of the atomic energy program.

Experience in recent years has shown that it may not be possible to meet the shortages of water, which are a threat in some areas, through our extensive water-resource programs. I recommend, therefore, that the Congress enact legislation authorizing the initiation of research to find means for transforming salt water into fresh water in large volume at economical costs.

Public lands and national forests.—Over many years, our policy with respect to public lands and forests, now comprising over 900,000,000 acres, has gradually been broadened from one of disposal to one of management and conservation. The range, forest, and mineral resources of these lands have considerable commercial value and bring in substantial receipts; in addition they have important watershed, wildlife, and recreational value. In some respects, we have a long way to go before we shall be managing and conserving these resources to achieve their full use and preservation. We should

plan to expand our rehabilitation, protection, and management of these resources in the years ahead; the 1951 Budget includes increased funds for these purposes.

Mineral resources.—The Bureau of Mines and the Geological Survey are carrying on important investigations and research in order to ascertain the extent of our mineral resources and the best means of conserving and using them. In view of the limited domestic supplies of many minerals, there is real need for increased exploration and conservation of strategic and critical minerals.

Through laboratory research and developmental work, including operation of demonstration plants, the Government has shown that some of our liquid fuel demands can be met from synthetic fuels produced from oil shale and coal. This Budget includes funds for a continuation of efforts to improve synthetic liquid fuels, and to narrow the cost differential between synthetic and natural petroleum products.

Use of recreational resources.—During the past travel season there were 32,000,000 visitors to the 181 national park areas. This number of visitors is the highest in the history of the National Park Service; it is double the number before the war. This heavy increase in the use of the park areas has enlarged the requirements for their management and protection. The increase of 9 million dollars in the 1951 Budget for the Park Service will provide for additional management and maintenance costs and for some urgently needed construction.

Alaskan resources.—Alaska is a land of large natural resources—forests, fish and wildlife, minerals, land, and water—which must be developed in order for the area to make its contribution to the security and economy of the Nation. The 1951 programs discussed above include 23 million dollars for the development of natural resources in Alaska. Developmental expendi-

tures in Alaska under other functions—in particular national defense, transportation, and social welfare—will amount to approximately 162 million dollars.

Indian land resources.—Large areas of Indian lands are rich in timber, oil, gas, and other minerals, the conservation and development of which should be related to programs affecting similar lands. As part of our general program for protecting their rights and for helping the Indians to become self-reliant citizens, funds are included in this Budget for initiating the long-range program for the rehabilitation of the Navajo and Hopi Indians in Arizona and New Mexico. While the greater portion of the amount recommended is for essential construction of educational and health facilities (classified in social welfare, health, and security), provision is made also for expanded conservation and development of the resources of the reservations. Funds are also included for some expansion in conservation activities on Indian lands in other areas, as well as for additional health, education, and other benefits to the Indian population.

TRANSPORTATION AND COMMUNICATION

Efficient transportation and communication services play a major role in promoting the economic growth of our country and in assuring our national security. Throughout our history, the Federal Government has traditionally supplemented private enterprise in this field, wherever necessary to assure adequate services at reasonable cost. To this end, the Government provides basic facilities; it regulates economic and safety aspects of commercial operations; it subsidizes essential services which could not survive without Government aid. In the fiscal year 1951, an estimated 1.7 billion dollars will be spent for these activities, a decline of 212 million dollars from 1950. This as-

sumes a reduction of the postal deficit to a reasonable level, through enactment of postal rate increases.

Most of the Federal transportation expenditures are for the provision and operation of physical facilities. Direct Federal expenditures for aviation facilities; marine navigation aids, waterway improvements, and roads will amount to about 600 million dollars in 1951. In addition, grants to State and local governments for the construction of highways and airports will account for 514 million dollars. Although these programs make important contributions to the development of our economy, over-all budgetary considerations make it impossible to proceed with them as rapidly as we should like. The 1951 Budget recommendations have been held as close to the 1950 level as program commitments would allow.

The long-term interests of the general taxpayer, as well as the users of transportation, will best be served by the development of a balanced transportation system, substantially independent of Government support. It is essential that the various promotional and regulatory activities of the Government fit together into a unified transportation program aimed at achieving that goal. At my request, the Secretary of Commerce recently prepared a report outlining the major policy issues which need to be resolved in order to assure such a program. This report is now being reviewed within the executive branch, and I shall later transmit recommendations for any legislation or other action that may prove appropriate.

Merchant marine.—Under the Merchant Marine Act of 1936, the Federal Government provides both construction and operating subsidies to the maritime industry, intended to offset the competitive effects of lower foreign costs. In the fiscal year 1951, operating subsidies alone are estimated to accrue

in the amount of 63 million dollars, about five times the average annual level before the war. Shipbuilding subsidies have recently averaged close to 45 percent of the domestic cost of vessel construction, exclusive of national defense features financed entirely by the Government.

I am seriously concerned by the increasing cost of these existing subsidies and by the potential cost of new subsidies now being advocated. Our national security requires an efficient nucleus of merchant shipping and shipbuilding, adequate to permit such expansion as may be required by a future emergency. However, to limit the burden on the taxpayer, this subsidy program should be held to the minimum level that will satisfy national defense needs. In determining this level, full account must be taken of the availability of vessels from friendly nations in the event of an emergency. The existence of the North Atlantic Treaty provides a framework within which joint international planning of shipping mobilization may proceed.

The entire subject of Government aid to the merchant marine is now under active study by the executive agencies concerned. Until such studies are completed, we should proceed cautiously with existing subsidy programs, and should avoid commitments for any major new programs. The Budget for 1951 has been developed on that basis.

Expenditure increases in 1951 for ship construction and for operating subsidies will be partially offset by reductions in other Maritime Commission activities. The maritime training program is being reduced in size, and consolidated at three locations. Authority for ship chartering, scheduled to expire on June 30, 1950, does not now appear to be required beyond that date. Expenditures will also be lower for the liquidation of wartime obligations.

Navigation aids and facilities.—The safety

TRANSPORTATION AND COMMUNICATION

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Promotion of merchant marine:					
Maritime Commission.....	\$122	\$161	\$222	\$135	\$70
Inland Waterways Corporation:					
Present programs.....	2	1	.....	.....	.....
Proposed legislation.....	.....	.....	3	3	.....
Provision of navigation aids and facilities:					
Panama Canal.....	17	20	20	19	.....
Corps of Engineers:					
Present programs.....	160	212	243	242	.....
St. Lawrence seaway (proposed legislation)....	.....	.....	4	6	.....
Coast Guard.....	132	158	181	187	.....
Interior.....	(¹)	1	3	.....	.....
Promotion of aviation:					
Civil Aeronautics Administration:					
Present programs.....	143	187	226	133	70
Alaska airports (proposed legislation).....	.....	1	4	.....	.....
Provision of highways:					
Bureau of Public Roads:					
Present programs.....	414	490	504	.....	.....
Proposed legislation.....	.....	.....	3	3	524
Alaska roads (Interior).....	16	23	23	16	9
Forest roads and trails (Agriculture).....	23	2	.....	.....	.....
Regulation of transportation.....	15	15	16	16	.....
Other services to transportation:					
Reconstruction Finance Corporation.....	—3	2	6	.....	.....
Coast and Geodetic Survey.....	10	12	12	12	.....
Alaska Railroad.....	33	30	41	28	.....
Treasury Department.....	(¹)	(¹)	(¹)	1	.....
Postal service deficit:					
Present programs.....	530	569	555	555	.....
Proposed legislation.....	.....	.....	—395	—395	.....
Regulation of communication.....	7	7	7	7	.....
Alaska Communication System.....	2	3	4	6	.....
Total.....	1, 622	1, 894	1, 682	² 973	673

¹ Less than one-half million dollars.² This Budget also includes 591 million dollars of appropriations to liquidate prior year contract authorizations.

of surface and air operations at sea requires the navigational aids, rescue stations, and other services provided by the Coast Guard. Expenditures for these activities are estimated to increase from 158 million dollars in 1950 to 181 million dollars in 1951. This

increase is largely for the replacement of over-age aircraft, and for more adequate maintenance of existing facilities.

The 1951 recommendations do not provide for starting construction on any new river and harbor projects of the Corps of

Engineers. Projects already under way will, however, require an increase in expenditures from 212 million dollars in the fiscal year 1950 to 243 million dollars in 1951, and a further increase in 1952.

I repeat most emphatically my previous recommendations for approval of the Saint Lawrence waterway and power project. Authorization of the seaway, with its related power facilities, is a matter of urgency for our peacetime industry and our national security. In particular, each succeeding year reduces further our domestic reserves of iron ore, and increases correspondingly the importance of the seaway as a means of economical access to the proven ore deposits in Quebec and Labrador.

Aviation.—The Federal Government provides extensive aid, both direct and indirect, to civil aviation. This assistance, which is consistent with our traditional policy of promoting new forms of transportation, has made possible a spectacular development of air transport services, especially during the past decade. Although continued aid is required for the present, the industry should be expected to become increasingly self-supporting in the near future.

At present, direct financial assistance to the air lines is provided through air-mail payments, which are set generally at levels adequate to cover deficiencies in the carriers' commercial revenues. Subsidy is thus merged with the fair compensation for carrying mail, making it difficult to evaluate the cost of this aid in relation to its benefits. The recent rise in total air-mail payments—to an estimated level of about 125 million dollars in 1950—has made it increasingly important that the subsidy element be separately identified. I recommend, therefore, the immediate enactment of legislation to authorize the separation of subsidy payments from mail compensation. Such subsidies should be paid from funds appropriated to

the Civil Aeronautics Board specifically for that purpose.

The standard by which subsidy rates are determined under existing legislation may itself merit review in the light of the industry's present stage of development. Setting subsidies on the basis of the carriers' revenue needs may weaken the incentives for managerial economy, thereby increasing the difficulty of effective regulation by the Civil Aeronautics Board. While a considerable gain in efficiency has been realized by the air lines since the end of the war, there are undoubtedly important opportunities for further improvement. The 1951 Budget will permit the Civil Aeronautics Board to conduct more intensive investigations of airline efficiency, and to develop operating cost standards. This should assist the Board in shaping its subsidy policies so as to retain, to the maximum extent possible, the normal business incentives for economy.

The continued growth of air transportation depends upon modernization of our airway facilities to permit safe and regular flights under all weather conditions. Expenditures for the development, installation, and operation of such facilities are estimated at 136 million dollars in the fiscal year 1951, 39 million dollars above 1950. Other activities of the Civil Aeronautics Administration—including safety regulation and airport grants—will require expenditures of 93 million dollars in 1951, 3 million dollars higher than in 1950.

Highways.—Major development of our highway system is required to overcome obsolescence and to handle safely and efficiently the steadily increasing traffic loads. This is primarily the responsibility of States, counties, and municipalities. The Federal Government must, however, continue providing financial assistance to the extent necessary to assure a basic system of national roads, built to uniformly adequate

standards. Under existing legislation, the Bureau of Public Roads is expected to spend 504 million dollars for highway improvement in 1951, mainly in the form of grants to States. Apart from the emergency relief programs during the depression, this will be the highest annual level of Federal highway expenditures to date.

All of the Federal-aid funds thus far authorized have been apportioned to the States, and new authorizing legislation is therefore required during the present session of the Congress. I recommend that such legislation provide an annual Federal-aid authorization for the next 2 years of 500 million dollars, an increase of 50 million dollars above the current level. Within this total, increased emphasis should be placed upon the Interstate Highway System, a limited network of routes which is of greatest national importance to peacetime traffic needs as well as to our national defense. The recommended shift in emphasis, and increase in program level, should permit a satisfactory rate of improvement for this System.

Postal service.—Postal rates have not kept pace with increasing costs and, as a result, the postal deficit has reached excessive proportions. Since 1939, the average expense per postal transaction has increased by 67 percent, owing mainly to higher wage and transportation costs; in contrast, average revenue has increased by only 32 percent. On the basis of existing postal rates, the deficit for 1951 is estimated at 555 million dollars. Cases now pending before the regulatory commissions may result in higher payments for transportation, and hence may correspondingly increase the deficit.

The Postmaster General is exploring fully all opportunities for reducing the cost of the postal operation. Modernization of the motor vehicle service, and the mechanization of mail handling, are among the items receiving particular attention. I am confident

that the steps now being taken will in the long run help to assure the maximum efficiency of the postal operation. However, the potential savings, if present service standards are maintained, appear small in relation to the prospective deficit; they do not reduce significantly the need for higher revenues at this time.

I have repeatedly urged the Congress to raise postal rates so as to bring them into line with postwar costs. The need for such corrective action becomes steadily more urgent. It is unsound and unnecessary for the postal operation to continue as a growing burden on the general taxpayer. Instead, the users of the postal service should as a group pay the full cost of services received. This requires that the postal deficit be limited to the cost of air-line subsidies, Government mail, franked mail, and other items properly chargeable to the general revenues.

Last year, the Postmaster General recommended to the Congress postal rate revisions designed to yield additional revenue of about 250 million dollars per year. Subsequent increases in employees' pay and in transportation costs have rendered this amount inadequate. I therefore strongly urge again that the Congress pass legislation to bring the postal revenue more in balance with the expenditures of the service. The only alternative to increased rates or a continued large deficit would be an undesirable reduction in the quality of services provided. As a longer range solution to this problem, there should be sufficient flexibility in the postal rate structure to permit at all times a proper relationship between revenues and expenses.

Regulation.—Through regulation, the Federal Government seeks to assure the adequacy, economy, and safety of transportation and communication services. Although the expenditures required for this activity are relatively small, this is one of the more

important responsibilities exercised by the Government in this field. The 1951 Budget includes moderate increases for the regulatory commissions, to permit them to reduce backlogs of pending cases, and to meet new problems more promptly.

FINANCE, COMMERCE, AND INDUSTRY

As part of its broad program for balanced economic development, the Federal Government provides a variety of general financial and other aids to promote the stability and growth of independent businesses. These are supplemented by regulatory action designed to remove monopolistic barriers to production and commerce. In addition, in two areas—exports and rents—it is necessary to continue, on a limited basis, wartime controls now in effect. Total expenditures in 1951 are estimated at 212 million dollars, of which net expenditures for loans to

business will account for about three-fourths.

Business loans and guarantees.—In the past year, the Reconstruction Finance Corporation has contributed substantially to the financial stability of independent businesses, especially small business. The change in economic conditions last spring resulted in many financing needs which private lenders failed to meet, and consequently applications for Reconstruction Finance Corporation business loans increased rapidly. During recent months, the Corporation has been making about 450 new loans per month, or nearly twice the rate of a year ago. With the favorable business outlook now anticipated, a somewhat lower level of new loan authorizations is estimated in 1951, but net expenditures are expected to rise above 1950 because of disbursements on loans authorized this year. In future years, repayments will provide increasing offsets to disbursements on new loans.

FINANCE, COMMERCE, AND INDUSTRY

[Fiscal years. In millions]

Program or agency	Expenditures			New obligational authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Business loans and guarantees (Reconstruction Finance Corporation, present programs and proposed legislation)	\$65	\$153	\$155	.....	\$250
Promotion and regulation of business:					
Department of Commerce:					
Promotion	23	25	23	\$20	.....
Export control	3	3	2	3	.....
Antimonopoly programs (Federal Trade Commission, Justice)	7	7	8	8	.....
Rent control (Housing Expediter, present programs and proposed legislation)	22	22	16	16	.....
Other	7	7	7	6	.....
All other:					
Preferred stock of financial institutions (Reconstruction Finance Corporation)	—14	(¹)	—6	.....	.....
Control of private finance	7	7	7	7	.....
Total	120	225	212	60	250

¹ Less than one-half million dollars.

To make sure that this program will meet the needs of business for long-term credit, I am renewing the recommendation for a substantial increase in the present 10-year maximum on loan maturities. I also recommend an addition to the funds available for business loans.

Promotion and regulation of business.—Since the war we have substantially strengthened our antimonopoly program, but continued improvement is essential. I have asked the Secretary of Commerce, in consultation with the Attorney General, the Federal Trade Commission, and the Council of Economic Advisers, to develop recommendations for increasing the effectiveness of this program. A major aspect of this study will be the development of methods to facilitate establishment of small businesses, to promote their stability and growth, and to remove obstacles to their survival as independent competitive enterprises.

The Budget also provides additional funds for strengthening the antimonopoly activities of the Federal Trade Commission. Among other things, this will permit a study of trends in industrial concentration to guide the formulation of Federal policy and to aid in prosecuting specific cases.

As the record levels of housing construction have gradually reduced the housing shortage, rent controls have been removed in many communities. This trend probably will continue. To prevent serious hardship to tenants in areas where shortages remain critical, I am recommending a 1-year extension of rent control authority beyond the present expiration date of June 30, 1950.

Improvement in the supply situation has permitted removal of most commodities from export control. Export licensing of some strategic commodities, however, remains essential because of the uncertain international situation.

LABOR

The programs of the Federal Government in the field of labor are designed to encourage increasingly effective use of our major productive resource—the skill of the American workingman—with the ultimate objective of assuring higher production and standards of living. To this end, the Government fosters responsible and peaceful labor relations based on collective bargaining by offering voluntary mediation services and providing a remedy for unfair labor practices. It promotes fair labor standards for wages, hours, and employment conditions to prevent exploitation and unfair competition based on substandard conditions. It finances a free placement service to aid industry, agriculture, and workers and insures workers, mainly through a Federal-State system, against total loss of income during periods of temporary unemployment. Finally, it collects and publishes information on wages, employment, prices, construction, and other subjects in order that business and economic planning and decisions may be on a factual basis.

The importance of these programs is by no means measured by the total expenditures of 243 million dollars in 1951, since many of the activities are regulatory in nature and require only minor expenditures. Of total expenditures, about 70 percent consists of grants to States for administration of the Federal-State employment service and unemployment compensation system.

Placement and unemployment compensation activities.—The Federal Government sets standards and pays all administrative costs for State operation of public employment offices and unemployment insurance. Public employment offices placed applicants in more than 12,000,000 jobs during the past fiscal year. Of the total job placements, over

7,000,000 were on farms. Still more placements are expected in 1950 and 1951.

The unemployment compensation work load is closely related to general economic conditions. Last year the Congress recognized this fact by appropriating a contingency fund of 5 percent of the basic grants, to be used if the number of claims increased. It now appears that this contingency fund will not be sufficient to pay for the increase in work load which has occurred. I shall, therefore, request a supplemental appropriation for 1950. For 1951, the Budget recommendations for the basic grants assume a somewhat lower average level of unemployment but call for a contingency fund of 10 percent to obviate delays in paying valid claims, should the volume of claims suddenly rise.

Mediation and regulation of labor relations.—In my State of the Union Message I

have discussed the imperative need for basic revision of the Labor-Management Relations Act of 1947 to incorporate sound provisions on the rights and responsibilities of labor and management in relation to each other and to the general public, and to remove unworkable administrative provisions in the present law. This Budget allows for improving mediation and conciliation activities by providing funds to permit relatively equal service for all parts of the country and for the recently expanded organization for adjustment of employee grievances in the railway industry.

Labor standards and labor training.—The 1949 amendments to the Fair Labor Standards Act, while inadequate in many respects, made substantial improvements in the law by raising the minimum wage to 75 cents an hour and tightening the provision against the use of child labor in production for inter-

LABOR

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Placement and unemployment compensation activities:					
Department of Labor:					
Present programs.....	.....	\$137	\$171	\$194	.....
Proposed legislation (mainly reinsurance grants).....	.....	.....	12	13	.....
Railroad Retirement Board.....	\$15	10	9	10	.....
Federal Security Agency.....	148	37	.....	.....	.....
Mediation and regulation of labor relations.....	12	12	13	13	.....
Labor standards and training:					
Department of Labor:					
Present programs.....	8	10	15	15	.....
Industrial safety program (proposed legislation).....	.....	.....	6	6	.....
Department of the Interior (mine safety).....	4	4	4	4	.....
Fair Employment Practice Commission (proposed legislation).....	.....	.....	1	1	.....
Labor information, statistics, and general administration.....	6	9	11	12	.....
Total.....	193	219	243	266	.....

state commerce. I am recommending increased funds for the additional inspection and legal staff which effective enforcement will require. Such enforcement is essential, not only to protect the purchasing power of workers who need it most, but also to protect law-abiding employers from unfair competition.

Two legislative proposals respecting employment conditions, and one on training, should be enacted promptly. First, a permanent Fair Employment Practice Commission should be established. To keep minority groups economically submerged is not only unjust and discriminatory, but also prevents the best use of available manpower. Secondly, I am renewing my recommendation for grants to States to assist them to encourage industrial safety. The Federal Government and the States spend many millions of dollars each year to rehabilitate injured workers. It is only common sense to do what we can to prevent injuries in the first place. Finally, I recommend that a labor extension service be established in the Department of Labor to make available to wage earners educational programs designed to promote sound labor-management relations. Such a program would require about 3 million dollars a year after it gets into operation but would not have substantial effect on the 1951 Budget because of the time required to get under way at the local level.

Trust accounts and unemployment compensation legislation.—Last year's temporary but sharp rise in unemployment provided the first real test of the Federal-State unemployment insurance system since its establishment 15 years ago. The system was of great help in tiding workers over temporary unemployment and in sustaining markets for the products of employed workers. During the last 12 months, a total of 1.7 billion dollars in benefits was paid from the trust fund. At the same time, major shortcomings of the

present system became painfully clear. It does not cover enough workers, and does not replace enough of the wages lost through unemployment. I shall submit proposals for legislation to overcome these and other defects by strengthening the present Federal-State system.

At present, only about two-thirds of the workers employed in nonagricultural industries are insured against the hazards of temporary unemployment. Coverage should be extended to employees of small establishments, of industries processing agricultural products, and of the Federal Government. This would raise coverage to about three-fourths of nonagricultural workers. Furthermore, legislation should include minimum Federal standards for eligibility and disqualifications, in order to remove some of the present inequalities in administration among the States.

Present weekly benefits now average about one-third of previously earned weekly wages. The insurance was originally intended to replace at least half of previous earnings—the minimum needed to pay for food and rent—but benefits in many States have not kept up with price rises. In order to assure more nearly adequate benefits throughout the Nation, the Federal law should provide minimum standards for benefits paid from the State trust accounts. These standards should require benefits of 50 percent of previous wages up to 30 dollars a week for single workers, with additional amounts for dependents up to 42 dollars a week for a worker with three dependents. The legislation should also require that benefits be available to eligible claimants for at least 26 weeks.

In addition to these changes in coverage and benefit standards, I shall recommend amendments to the financing provisions of present legislation, including establishment of a reinsurance system to provide grants to

UNEMPLOYMENT TRUST FUND

(Trust accounts)

[Fiscal years. In millions]

<i>Item</i>	<i>1949 actual</i>	<i>1950 estimated</i>	<i>1951 estimated</i>
Receipts:			
Deposits by States and railroad unemployment taxes.....	\$994	\$1,018	\$1,193
Interest.....	180	162	165
Payments: State and railroad unemployment withdrawals.....	—1,327	—2,034	—1,570
Net accumulation.....	—153	—854	—212

States whose reserves for benefits become temporarily low, despite reasonable measures to maintain adequate funds. Although most States have sufficient reserves to pay higher benefits without increasing taxes, one or two States may need assistance by next autumn or shortly thereafter.

The proposed legislation will affect chiefly the trust fund rather than the appropriations for administration. For both the trust fund and the appropriations, the effect in the fiscal year 1951 will be slight because time will be required for the State legislatures to revise their laws to conform with new standards established by the Congress. Benefits for Federal workers will represent the principal continuing budgetary cost of my recommendations. (The estimated expenditures for these benefits in the fiscal year 1951 are shown under general government.) Estimates for proposed reinsurance appropriations are also included in the Budget. Expenditures from these appropriations will be necessary only if State reserves become inadequate to provide for temporarily high numbers of insured unemployed.

GENERAL GOVERNMENT

The expenditures for general government cover legislative, judicial, and financial management activities, and also many Government-wide administrative services and programs such as property and records

management, public buildings construction and maintenance, and the operations of the Civil Service Commission. The total expenditures for these programs for the fiscal year 1951 are estimated at 1.3 billion dollars compared to 1.2 billion for the current fiscal year. The increase is primarily for strengthening further the system of tax collection, for the Government payment to the employees' retirement system, and for public building sites and plans.

Internal revenue operations.—Efficient operation of the Bureau of Internal Revenue, the Federal Government's primary tax collection agency, is essential to protect the Federal revenue and to assure fair treatment to taxpayers. Studies of the organizational structure and administrative procedures of this agency have been under way for some time and have already resulted in many improvements, including the mechanization of some operations. These have enabled the Bureau to strengthen and extend its audit and enforcement activities, thereby collecting additional taxes, not only directly, but also by stimulating a greater degree of voluntary compliance. Further improvements are in prospect. The 1951 appropriation provides for increased funds for these purposes.

Property management.—Under mandate of the Federal Property and Administrative Services Act of 1949, the General Services Administration was established to consoli-

date a number of Government-wide activities concerned with the procurement, maintenance, and disposal of Federal property. This was in accord with a major recommendation of the Commission on Organization of the Executive Branch of the Government. The General Services Administration is currently undertaking to establish records storage centers and is emphasizing the expansion of inspection services and traffic management, determination of purchasing re-

quirements, and controls to insure proper utilization of Government property.

Civilian employees' retirement system.—Federal employees covered by the civil service retirement and disability system are required by law to contribute 6 percent of their salaries toward future benefits; the Government contributes the remaining cost of benefits provided under the system. The expenditures of 333 million dollars estimated for 1951 represent the Government payment

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Expenditures			New obligatory authority for 1951	
	1949 actual	1950 estimated	1951 estimated	Appropriations	Other
Legislative functions.....	\$34	\$43	\$50	\$39	.....
Judicial functions.....	19	27	31	24	.....
Executive direction and management.....	7	8	12	7	.....
Federal financial management:					
Bureau of Internal Revenue (Treasury).....	208	230	253	253	.....
Customs collection, debt management, and other (mainly Treasury).....	135	136	134	133	.....
General Accounting Office.....	35	36	37	37	.....
Other central services:					
Property management (mainly General Services Administration).....	169	139	110	99	.....
Civil Service Commission.....	16	17	17	17	.....
Legal services (Justice).....	6	8	9	9	.....
Government Printing Office.....	5	9	11	19	.....
Special fund for management improvement.....	.....	1	.....	.....	.....
Government payment toward civilian employees' general retirement system.....	224	301	333	333	.....
Interest on refunds of receipts.....	87	93	100	100	.....
Public buildings construction (General Services Administration).....	3	22	53	28	.....
Weather Bureau (Commerce).....	24	24	26	26	.....
Cemeterial program (Army and American Battle Monuments Commission).....	58	30	21	13	\$3
Immigration control (Justice).....	30	32	32	32	.....
Other:					
Present programs.....	110	68	24	47	.....
Unemployment compensation payments to Federal workers (proposed legislation).....	.....	.....	13	14	.....
Civil rights program (proposed legislation).....	.....	.....	1	1	.....
Total.....	1, 170	1, 223	1, 267	¹ 1, 231	3

¹ This Budget also includes 41 million dollars of appropriations to liquidate prior year contract authorizations.

necessary to enable the fund to cover its currently accruing obligations.

Construction of public buildings.—Of estimated expenditures of 53 million dollars in 1951 for construction of public buildings, more than half is for acquiring sites and drawing plans for future construction in accordance with the Public Buildings Act of 1949. Expenditures for actual construction will be limited to projects already under way.

Operation of the Weather Bureau.—Modest increases are requested to meet the increased demand for the services of the Weather Bureau. These include the requirements for general weather service, aviation forecasts, and assisting in the protection of our forests from fire hazards. Increases in Atlantic weather patrol observations and in forecasting and briefing services to pilots on international flights are to meet commitments under the International Civil Aviation Organization.

Government of Guam, Samoa, and the trust territory of the Pacific islands.—It is the announced aim of this Government to accord civil government to the inhabitants of its non-self-governing Pacific Territories—Guam and American Samoa—which have been under American rule for half a century, and the trust territory of the Pacific islands which we administer under a United Nations trusteeship agreement. As a partial step in this direction I have transferred administrative responsibility for Guam to the Secretary of the Interior and have directed that arrangements be made for a similar transfer on July 1, 1951, with respect to American Samoa and the trust territory. This Budget includes 2 million dollars for Guam as part of a 4 million dollar appropriation recommended for administration of Territories and possessions for the fiscal year 1951. I urge that the Congress enact the proposed organic acts now before it, providing for the civil government

of Guam and American Samoa, and similar legislation for the trust territory of the Pacific islands.

Development of the National Capital.—I renew my request that the National Capital Park and Planning Commission be established on a stronger statutory basis. This would enable the Commission to fulfill more effectively its obligations to plan the orderly, coordinated development of the District of Columbia and nearby areas in Maryland and Virginia.

Government Services Corporation.—Several organizations not within the normal governmental framework now provide, in Government buildings and on Government property, cafeteria and recreational services for Federal employees. I recommend that the Congress pass legislation now before it to create a self-supporting Government corporation to carry out these essentially governmental responsibilities.

Federal employees' unemployment compensation.—The proposed broadening of the coverage of the unemployment compensation program, recommended elsewhere in this Message, requires a Government payment to extend coverage to Federal employees. This Budget includes 13.5 million dollars for an appropriation to cover benefit payments in the second half of fiscal year 1951, when it is anticipated the program will be in operation.

Civil rights program.—This Budget includes funds to expand civil rights enforcement activities of the Department of Justice under present laws. In addition to the amount provided for establishing a Fair Employment Practice Commission, there is included 800 thousand dollars as the amount needed under proposed legislation to establish a permanent Commission on Civil Rights, which would continuously review our practices and policies in this field, and to provide for an additional Assistant At-

INTEREST ON THE PUBLIC DEBT

[Fiscal years. In millions]

Agency	Expenditures			Appropriations for 1951 (permanent indefinite)
	1949 actual	1950 estimated	1951 estimated	
Treasury Department.....	\$5,352	\$5,725	\$5,625	\$5,625

torney General to supervise a needed civil rights division in the Department of Justice.

INTEREST ON THE PUBLIC DEBT

Interest on the public debt is a fixed obligation of the Government, determined by the amount of Federal securities outstanding and their interest rates. Payments are financed by permanent indefinite appropriations which do not require annual congressional action.

Interest payments of 5.6 billion dollars estimated for 1951 are lower than those in 1950, because a shift in reporting methods caused a nonrecurring addition of over 200 million dollars in 1950. Under the new method, effective in the fiscal year 1950, all interest payments are now reported as they become payable rather than when they are actually paid. As a result of the transition, the 1950 total includes interest for prior years that was payable but had not yet been presented for payment at the beginning of the fiscal year 1950. This change does not significantly affect the reporting of interest payments in 1951 and later years.

Apart from this nonrecurring item, total interest payments will continue to rise in the fiscal year 1951. Each year more of the savings bonds sold during the war reach the stage where interest accrues at higher rates. Moreover, continuing accumulations of Government trust funds will cause further increases in special issues to such funds of obligations bearing rates of interest higher than the average on the entire public debt.

Finally, the Budget deficits this year and next will add to the total volume of interest-bearing debt. Savings in refunding operations, however, will offset some of this increase in interest cost.

Interest payments on the Federal debt are widely distributed, and represent a particularly important source of income to certain institutions and groups. Almost 2 billion dollars of interest in the fiscal year 1951 is expected to go to individuals and unincorporated businesses. About 1 billion dollars will be paid to commercial banks and almost 1.5 billion to insurance companies, mutual savings banks, and other private investors. Another 1 billion dollars will go to Government retirement funds, social security funds, and various other Government trust funds to build up reserves out of which future benefits will be paid. Over 250 million dollars of interest in 1951 will be paid to the Federal Reserve banks; more than half of such payments will be returned to the Treasury and deposited into miscellaneous receipts. The remainder will be used to defray most of the operating expenses of the Federal Reserve System, to pay dividends to member banks, and to add to surplus.

PROPOSED LEGISLATION—A SUMMARY

The following table shows estimated expenditures, appropriations, and other authorizations included in the Budget for programs under proposed legislation. The second table shows the effect of proposed

PROPOSED LEGISLATION

(Summary of amounts included in the Budget)

[Fiscal years. In millions]

Function and program	Estimated expenditures,	Anticipated supplemental appropriations and other authorizations	
	1951	1950	1951
EXTENSION OF EXISTING LEGISLATION			
International affairs and finance:			
Extension of European recovery program and other foreign aid..	\$1,700.0	.....	\$3,100.0
Extension of mutual defense assistance.....	200.0	.....	{ 647.5 [500.0]
Inter-American highways.....	.....	.....	[8.0]
National defense: Selective service program.....	3.9	.....	4.2
Housing and community development:			
Mortgage purchases.....	125.0	(\$500.0)	(250.0)
Loans to prefabricators.....	17.8	(25.0)	.....
Extension and modification of loan insurance.....	-12.7	.....	.....
Agriculture and agricultural resources: Commodity Credit Corpora- tion.....	.....	(2,000.0)	.....
Transportation and communication:			
Federal-aid postwar highway program.....	.....	.....	[500.0]
Forest highways.....	.....	.....	[20.0]
Finance, commerce, and industry:			
Business loans and guarantees.....	10.0	.....	(250.0)
Extension of rent control.....	15.0	.....	16.0
	<hr/>	<hr/>	<hr/>
Expenditures and appropriations (net).....	2,059.0	.....	3,767.7
Contract authorizations.....	.....	.....	[1,028.0]
Public debt authorizations.....	.....	(2,525.0)	(500.0)
	<hr/>	<hr/>	<hr/>
NEW LEGISLATION			
International affairs and finance:			
Technical assistance to economically underdeveloped areas (Point IV).....	25.0	.....	35.0
Assistance to the Republic of Korea.....	110.0	65.0	115.0
Contributions to International Trade Organization and other in- ternational organizations.....	2.5	.....	2.5
Relief of Palestine refugees.....	20.0	27.0	.....
Expanded displaced persons program.....	2.4	.....	2.6
Rama Road, Nicaragua.....	.....	.....	[8.0]
National defense: Military functions (including public works).....	70.0	.....	{ 131.7 [240.0]
Social welfare, health, and security:			
Expansion of public assistance programs.....	200.3	.....	250.3
Expansion of vocational rehabilitation program.....	4.3	.....	4.3
Aid to medical education.....	30.0	.....	45.0
Increased aid to local public health services.....	4.5	.....	5.0
Increased grants to States for maternal and child welfare.....	6.9	.....	9.5
Health services for school children.....	25.0	.....	35.0

NOTE.—[] indicate contract authorizations. () indicate public debt authorizations.

PROPOSED LEGISLATION—Continued

[Fiscal years. In millions]

Function and program		Estimated expenditures, 1951	Anticipated supplemental appropriations and other authorizations	1951
NEW LEGISLATION—Continued				
Housing and community development:				
Cooperative housing for middle-income families.....	\$50.0	.....	{	\$35.0 (25.0)
Loans to other cooperatives.....	30.0	.....		.....
Home Loan Bank Board stand-by borrowing authority.....	(¹)	(\$1,750.0)	.....	.....
Disaster relief.....	5.0	.....	.....	5.0
Education and general research:				
General aid for operating expenses, elementary and secondary schools.....	290.2	.....	.....	300.2
Surveys and emergency construction, elementary and secondary schools.....	22.2	.....	.....	45.2
Education of children on Federal properties and in emergency areas.....	7.0	.....	.....	7.0
General assistance to college students.....	0.9	.....	.....	1.0
National Science Foundation.....	0.4	.....	.....	0.5
Agriculture and agricultural resources: Administration of Commodity Exchange Act.....				
	0.7	.....	.....	0.8
Natural resources:				
Research in utilization of salt water.....	0.5	.....	.....	0.5
Baltimore-Washington Parkway.....	2.0	.....	.....	3.0
Transportation and communication:				
Inland Waterways Corporation.....	3.0	.....	.....	3.0
St. Lawrence seaway and power project.....	4.0	.....	.....	6.0
Construction of public airports, Territory of Alaska.....	3.5	4.5	.....	.....
Forest highways, Alaska.....	2.9	.....	{	2.9 [4.4]
Postal rate increase (increased revenue).....	—395.0	.....		—395.0
Labor:				
Expanded unemployment insurance: Administration and reinsurance.....	12.4	.....	.....	12.5
Industrial safety program.....	6.0	.....	.....	6.0
Fair Employment Practice Commission.....	0.6	.....	.....	0.7
General government:				
Strengthening Federal civil rights program.....	0.7	.....	.....	0.8
Unemployment compensation payments to Federal workers.....	13.4	.....	.....	13.5
<hr/>				
Expenditures and appropriations (net).....	561.3	96.5	.....	684.5
Contract authorizations.....	.....	.....	.....	[252.4]
Public debt authorizations.....	.....	(1,750.0)	.....	(25.0)

¹ Estimated additional receipts of 60 million dollars in 1951.

NOTE.—[] indicate contract authorizations. () indicate public debt authorizations.

PROPOSED LEGISLATION AFFECTING TRUST FUNDS

[In millions]

<i>Function and program</i>	<i>1951 estimated</i>
SOCIAL WELFARE, HEALTH, AND SECURITY	
Extend and improve old-age and survivors insurance:	
Additional receipts.....	\$1, 200. 0
Additional disbursements.....	1, 433. 0
Net accumulation in reserve.....	<u>—233. 0</u>
Medical care insurance:	
Receipts.....	250. 0
Disbursements for initial expenses.....	35. 0
Net accumulation in reserve.....	<u>215. 0</u>

legislation upon the Government trust funds.

Many of the programs listed under proposed legislation are actually continuations of programs already in existence but for which new authorizations are required to permit their continuance in 1951. These items are set forth separately in the first part of the table.

The Budget also contains a general reserve for contingencies. It is designed as a minimum provision for activities not now definitely foreseen, but on which action may be required before the end of the fiscal year.

The Budget for the fiscal year 1951 reflects the great strength and the extensive responsibilities of this country. It represents much more than a collection of facts and figures—it represents the program which I am recommending for our Government in the months ahead. It will influence the course of events for years beyond 1951, and the success with which we push ahead toward enduring peace, continuing economic growth, and a steady strengthening of our democratic society.

In preparing this Budget, I have earnestly applied the fundamental principles which, in the present circumstances, should guide us

in the conduct of our affairs. It is an honest Budget, which meets the realities which face us. It provides for essential activities on a minimum basis and no more, despite the great pressures which exist on every side for larger expenditures on specific programs. It meets the obligation of our Government to nourish and support the economic and social health of our Nation. It not only provides for substantial progress in 1951 toward our goal of budgetary balance but also lays the basis for further improvement in subsequent years consistent with the welfare of the country.

We are still a young and growing Nation with a great reserve of human skills and productive resources. We have made and shall make more progress toward a less threatening world. Our strength is not being impaired by our present great responsibilities and the temporary deficits required to meet them. Given wise policies, which meet the broadest tests of national welfare, we can look forward to the future with confidence.

HARRY S. TRUMAN.

NOTE: The message was transmitted to the Senate and to the House of Representatives on January 9.

The message and the budget document (1,198 pp.) are published in House Document 405 (81st Cong., 2d sess.).

10 Letter to the U.S. Representative on the United Nations
Commission on the Status of Women. *January 10, 1950*

My dear Judge Kenyon:

I want to express my appreciation of your service as United States Representative on the Commission on the Status of Women of the Economic and Social Council of the United Nations during the past three years. I have been especially interested in the work of this Commission, for it is my belief, as I know it is yours, that the sound conduct of public business requires the full participation of all citizens, men and women alike. The Commission has benefited by your practical experience as a member of the Bar, especially in these first years of organization and planning. Your earlier service as an expert member of the League of Nations' Committee on the Legal Status of Women and in regard to the nationality problems of married women have also been an asset in selecting fields for action and evaluating results.

I am well aware that you have carried the

work of this Commission at a great sacrifice to your heavy law practice. I know, too, that you have given generously of your time to counsel with other members of the Commission and with the staff of the United Nations concerned with the Commission's objectives, as well as to interpret its progress to organizations and individuals throughout the United States. I hope that even though your term of office has expired, we may call on you from time to time for consultation on the numerous technical problems which arise in working to achieve equality for women in all countries.

Very sincerely yours,

HARRY S. TRUMAN.

[Honorable Dorothy Kenyon, 50 Broadway, New York 4, N.Y.]

NOTE: Judge Kenyon was the first U.S. Representative on the United Nations Commission on the Status of Women. Appointed on November 7, 1946, her term expired on December 31, 1949.

11 The President's News Conference of
January 12, 1950

THE PRESIDENT. I have no announcements today. I will try to answer questions, if anybody has any on his mind.

[1.] Q. Mr. President, have you reached any new decision on whether there is an emergency in coal that would warrant use of the Taft-Hartley Act?

THE PRESIDENT. There is no national emergency in coal at the present minute.

[2.] Q. When is your tax program going up?

THE PRESIDENT. Just as soon as we can get it ready.

Q. Have you got anything you can tell us about now?

THE PRESIDENT. No. It will all be contained in the message, and it will be very fairly stated.

Q. Will it go up next week, Mr. President?

THE PRESIDENT. I hope so.¹

[3.] Q. Mr. President, the Attorney General is calling a conference on law enforcement, and there has been some talk about getting an antiracketeering law against these "tygoons." Do you have any comment to make on that, sir?

THE PRESIDENT. No comment. I imagine that is what he has called the conference for,

¹ See Item 18.

to come to a conclusion on it.

[4.] Q. Mr. President, Senator Taft said in the Senate yesterday that Formosa is one place where, quote: "With a small amount of aid and at very small cost, we could prevent the spread of communism."² Do you agree with that?

THE PRESIDENT. Senator Taft is entitled to his own opinion. I didn't know he was a military expert, though. [*Laughter*]

[5.] Q. Mr. President, do you plan to see the Governor of Puerto Rico when he comes here in the near future?

THE PRESIDENT. Whenever the Governor of Puerto Rico is here and wants to see me, the door is always open to him, or the Governor of any other one of the Territories. I saw one this morning.

[6.] Q. Mr. President, do you plan to change the Minister to Ireland?

THE PRESIDENT. Hadn't heard anything about it. I will certainly have to make the appointment if there is a change.

[7.] Q. Mr. President, was that the Governor of Alaska that was here?

THE PRESIDENT. The Governor of Hawaii. The Alaskan Governor was here last week, I think.

[8.] Q. Mr. President, did Mr. Aldrich make any suggestions for implementing point 4?

THE PRESIDENT. We had a discussion on the subject, and there will be an announcement on it some time in the near future.³

[9.] Q. Mr. President, do you expect to have an announcement soon on the new member of the National Labor Relations Board?

² The remarks of Senator Robert A. Taft are published in the Congressional Record (vol. 96, p. 298).

³ Winthrop Aldrich, chairman of the board of the Chase National Bank of New York. In the spring of 1950 Mr. Aldrich, during a trip abroad, made a survey of economic conditions in a number of European countries. On July 6, 1950, he reported his findings in a meeting with President Truman.

THE PRESIDENT. Yes, I hope to.

Q. This week?

THE PRESIDENT. I can't answer it definitely.

[10.] Q. Mr. President, have you noticed the close parallel between your budget and the CED budget—

Q. I didn't get that, Mr. President.

THE PRESIDENT. Say that again. I didn't hear it, either.

Q. Have you noticed the close parallel between your budget and the CED budget, which on the surface looks like it's a big one but actually figures out very close to your budget?

THE PRESIDENT. I haven't given any study to any budget but my own, and it's all I can do to take care of that. I haven't seen the CED budget.⁴

[11.] Q. Mr. President, is there any new policy in the making on Spain? I notice Chairman Kee⁵ made a speech—

THE PRESIDENT. I have no comment on that.

[12.] Q. Mr. President, would you give us your reaction to Mr. Boyle's⁶ report on Ohio?

THE PRESIDENT. Very satisfactory report from the Democratic standpoint.

Q. Did he report, Mr. President, that he thinks the Democrats can beat Taft?

THE PRESIDENT. He reported to me he thought the Democrats could win in Ohio. No personalities were gone into. [*Laughter*]

Q. Do you think he might have meant Senator Taft? [*More laughter*]

⁴ The Committee for Economic Development, a private nonprofit organization, released a report on January 7, entitled "Tax Expenditure Policy for 1950," which called for a reduction in taxes and Federal spending in fiscal year 1951 (Committee for Economic Development, 1950, 54 pp.).

⁵ Representative John Kee of West Virginia. His remarks on Spain are published in the Congressional Record (vol. 96, p. 240).

⁶ William M. Boyle, Jr., Chairman of the Democratic National Committee.

[13.] Q. Mr. President, the House Rules Committee is taking up FEPC tomorrow. Is that being done at your request?

THE PRESIDENT. The House Rules Committee, of course, is running its own business. The chairman of the Rules Committee was in to see me this morning, and told me that they were going to take it up, and I was very highly appreciative that they are.

Q. Thank you.

Q. Do you think you can pass it this session, sir?

THE PRESIDENT. Well, you will have to ask the leaders in the House. I can't answer that question.

Q. Not the House; it's the Senate.

THE PRESIDENT. Well, the Senate, then.

[14.] Q. Mr. President, going back to Mr. Brandt's ⁷ question on Kee's speech, do you know whether that had the approval of the State Department, sir?

THE PRESIDENT. I think the best way to find out is to ask the Secretary of State. I think he has a press conference each week, just like I do.

Q. Not this week, he says.

THE PRESIDENT. I think he had his press

⁷ Raymond P. Brandt of the St. Louis Post-Dispatch.

conference down at the Press Club today.⁸

[15.] Q. Mr. President, after Senator Ferguson saw you the other day, he said he had a feeling that the Formosa subject was not closed, that there is a possibility perhaps of allowing them to hire military experts?

THE PRESIDENT. I think that if you will read my statement on Formosa, it is thoroughly and completely covered.⁹

Q. I did. Does that settle—

THE PRESIDENT. That settles the question, so far as I am concerned.

[16.] Q. Mr. President, is there any new plan of economic aid for southeast Asia in the works—in the making?

THE PRESIDENT. No new plans, no.

Q. Is there anything you could tell us about economic aid to southeast Asia?

THE PRESIDENT. No, I have no statement to make on it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and twelfth news conference was held in his office at the White House at 4 p.m. on Thursday, January 12, 1950.

⁸ Secretary Acheson's remarks at the Press Club on January 12 were directed to an examination of U.S. policy in Asia. He did not discuss Spain (see Department of State Bulletin, vol. 22, pp. 111-118). However, on January 18 Secretary Acheson reviewed U.S. policy toward Spain in a letter to Senator Tom Connally, Chairman of the Senate Foreign Relations Committee (ibid., p. 156).

⁹ See Item 3[1].

12 Remarks at a Supper for Democratic Senators and Representatives. *January 12, 1950*

Mr. Chairman, Mr. Vice President, Mr. Speaker, and fellow Democrats:

It is a very great pleasure for me to be here again on this occasion. I was here last year and discussed with you certain experiences of mine as a Member of the Senate of the United States, and the difficulties I had had in being elected at various times—in

1934, 1940, 1944, and I think I said something about the election of 1948.

But you have heard excellent advice from the Speaker of the House, and from the Vice President. And I hope that all of you will remember that the Democratic Party is the party of the people of the United States, and has been ever since Thomas Jefferson.

The president of Princeton University was in to see me yesterday, and told me that Princeton is publishing all the writings of Thomas Jefferson, and that there will be 51 volumes of it, and that they have been to France, and to England, and to the Library of Congress, and to various places in the United States. They have found a letter down in Oklahoma from Thomas Jefferson to the Cherokee Indians, which is a classic. They are going to publish all those writings of Jefferson, and I hope someday somebody will publish all the writings of Jackson, and of Lincoln, and of Woodrow Wilson, and of Franklin D. Roosevelt in that same way in which Princeton is working on the writings of Jefferson.

If they do that, they will find out why the Democratic Party never dies. It is the party of the people!

Now, the Democratic Party has a program. You were all at Philadelphia, and you know what that program is. I believe that a party platform means what it says, and I am doing everything I can to carry out the platform of the Democratic Party of the United States, and I am going to keep fighting for that as long as I live.

It has been a pleasure to be here with you tonight. It has been a pleasure to listen to Sam Rayburn, who has been a friend of mine ever since I have been in Washington, and to listen to my boss here, the Vice President of the United States. He used to be the leader in the Senate, and as he said, I don't think he ever had to call on me or look around to find out whether I was going to support him as leader of the Senate.

And I hope that the Democrats in the Senate of the United States will do that same thing for my friend Scott Lucas.

I can't thank you enough for asking me to come here, and I hope that next year, after these fall elections, that we will have a Democratic Party that represents the people of the United States, in the House of Representatives and in the Senate—and you will have it in the Executive Office.

Thank you very much.

NOTE: The President spoke at 8:30 p.m. at the Shoreham Hotel in Washington. In his opening words he referred to William M. Boyle, Jr., Chairman of the Democratic National Committee, Alben W. Barkley, Vice President of the United States, and Sam Rayburn, Speaker of the House of Representatives. Later in his remarks the President referred to Scott Lucas, Democratic Senator from Illinois and Senate majority leader.

13 Special Message to the Congress on Synthetic Rubber.

January 16, 1950

[Released January 16, 1950. Dated January 14, 1950]

To the Congress of the United States:

The tremendous increase in the use of rubber is one of the outstanding features of our industrial development in the last 50 years. Rubber has become indispensable to the United States, in both peace and war. Yet, 10 years ago this country was dependent for practically all of its supply of this essential material on areas halfway around the world. Early in World War II these areas were lost, and it became necessary to develop

a domestic source of rubber. The creation, in the midst of war, of a new industry capable of supplying a million tons of synthetic rubber a year was one of the great achievements of our war effort.

Since the war, the sources of natural rubber have again become available to us, and production has increased as the destruction and dislocations of war have been overcome. At the same time, the world demand for rubber has risen so far above the prewar

levels that the supply of natural rubber is still less than demand. Thus, continued production of synthetic rubber in this country has prevented a serious world rubber shortage.

Facilities for producing general-purpose synthetic rubber, commonly called GR-S, are owned by the Government, as are the plants for producing butyl, the type of synthetic rubber used primarily in inner tubes. Facilities for producing other types of synthetic rubber are now all privately owned. In 1949 about 289,000 long tons of GR-S and 52,000 long tons of butyl were produced by the Government. In addition, about 53,000 long tons of other synthetic rubbers were produced in privately owned plants.

It is essential to our national security that facilities to produce enough high-quality synthetic rubber to meet our needs in an emergency be continuously available. We must build up a stockpile of natural rubber, and we have been doing so, but the accumulation of a stockpile large enough to meet all emergency needs for rubber is impractical. We must be equipped to meet the bulk of our needs from domestically produced rubber.

The Government's synthetic rubber activities are now conducted under the Rubber Act of 1948, which expires on June 30, 1950. This legislation provides that capacity for production of synthetic rubber shall be maintained in the United States at all times, and requires that minimum quantities shall be produced and consumed each year. It provides authority for continued Government production of synthetic rubber, for regulations requiring its consumption in certain products, for stand-by maintenance of plants not in operation, and for continued Government research in synthetic rubber. Although the act prohibits the disposal of the facilities in the synthetic rubber program, it declares it to be the policy of the Congress

that Government ownership shall terminate whenever consistent with national security. The act provides that on or before January 15, 1950, the President shall recommend to the Congress "legislation with respect to disposal of Government-owned rubber-producing facilities . . . together with such other recommendations as he deems desirable and appropriate."

As a basis for making recommendations to the Congress, I have had made a thorough investigation of all aspects of the rubber problem. A report summarizing the results of this investigation is transmitted to the Congress with this message. The detailed recommendations in that report have my approval.

The rubber policy of the United States should be based upon the fundamental national objectives of protection of the national security, promotion of a free competitive economy, and achievement of a peaceful and prosperous world. I recommend that legislation succeeding the Rubber Act of 1948 be enacted, setting forth this rubber policy, and providing for continuation of the synthetic rubber industry in a manner consistent with these objectives.

In order to maintain the productive capacity needed in the event of emergency, the President should have the authority to designate the plants which must be kept available at all times for synthetic rubber production. On the basis of present technology and estimated requirements, it appears that our present plant capacity of nearly a million tons a year should be maintained to be prepared to meet emergency needs for synthetic rubber. It is not necessary, however, that all this capacity be in operation. Maintenance in a stand-by condition of those plants which are not being used should, therefore, be authorized.

In order to encourage technological development in the production and use of syn-

thetic rubber and to provide a basis for rapid expansion of production if this proves necessary, at least a minimum quantity of each type of synthetic rubber must be produced and consumed. Certain types of synthetic rubber, which are privately manufactured, have established a sufficiently strong position in the competitive market to assure a continuing demand for them. Recent improvements in butyl rubber, which is produced only in Government-owned plants, make it superior to natural rubber for use in inner tubes, its major use. It is probable, therefore, that as soon as private production of butyl begins, this type of synthetic rubber will be produced and consumed in adequate volume in a competitive market. Until butyl is privately produced, however, the President should have the authority to determine the minimum quantities of butyl which must be produced and consumed, and to the extent necessary to require its use in specified products.

The situation with respect to general-purpose synthetic rubber (GR-S) is not quite so favorable. Since it is not yet a satisfactory substitute for natural rubber in all of the products for which it would be used in an emergency, it is desirable that the Government's authority to conduct research in this field continue. The physical properties of GR-S have been steadily improved in recent years, and at present the quality differences between GR-S and natural rubber for peacetime general-purpose uses (chiefly passenger-car tires) are not significant. Price differentials are likely to be the determining factor in the choice between the two rubbers for most uses. It is very possible that for some time to come a considerable volume of GR-S production will be required, since the supply of natural rubber is not likely to be sufficient to meet world market demand. This possibility, however, is not an adequately depend-

able base for national security planning.

I believe that, at the present time, at least one-quarter of total consumption of GR-S and natural rubber, and not less than 200,000 long tons annually, should be GR-S. However, the needed level of production and consumption may change over the next few years with changes in world conditions. Therefore, the President should be given the authority to establish from time to time the minimum level of production and consumption necessary to the national security.

The present technological position of general-purpose synthetic rubber is such that it probably could not compete for bulk uses with natural rubber offered at significantly lower prices. There is thus no adequate assurance that the demand for GR-S either because of the possible shortage of natural rubber or because of its technological qualities, will be sufficient to insure production and consumption at levels necessary for national security. The President should, therefore, have authority to require the use of GR-S in certain products to the extent necessary to assure such production and consumption.

The minimum level of production and consumption should not be higher than the national security requires, for if it were, it would unduly prevent consumers in this country from realizing the benefits of market competition, and interfere with our objectives of expanding world trade and world prosperity.

It is my earnest hope that controls on consumption of GR-S may be reduced or suspended over the next few years, as technological improvements result in increasing quantities of general-purpose synthetic rubber being consumed without Government support. This development should be stimulated by the disposal of the Government's plants to private owners.

The President should be authorized to dispose of the synthetic rubber facilities to private owners, under conditions which will protect the national security and promote effective competition.

The disposal of these plants while promoting effective competition will present many difficult problems. The plants are large and involve large-scale operations. Furthermore, only a few plants are required to meet the probable demand for both required and anticipated voluntary consumption of synthetic rubber. The legislation authorizing disposal should take account of these facts, and provide specific standards designed to assure that the disposal program will actively promote effective competition and avoid monopolistic concentration.

A special problem will arise when general-purpose synthetic rubber plants are privately owned, if the Government continues to require the use of synthetic rubber in certain products. In this situation, the Government must see that synthetic rubber is made available on fair and reasonable terms and conditions to those required to use it. Such Government intervention in the normal buyer-seller relationship will present difficult practical problems for both industry and Government. Development of a vigorous

private synthetic rubber industry, however, may soon result in adequate consumption of synthetic rubber to permit removal of Government regulation.

I believe that the policies outlined in this message and the detailed recommendations contained in the accompanying report provide a sound program for action. For this reason, the legislation establishing these policies can be of relatively long duration. Furthermore, a firmly established legislative framework is highly desirable if disposal of the Government's synthetic rubber plants is to be successful. I recommend the adoption of legislation of ten years duration in order to provide adequate protection of the national security and to contribute to the development of a vigorous, competitive, and privately owned synthetic rubber industry in the United States.

HARRY S. TRUMAN

NOTE: A report by John R. Steelman, Assistant to the President, entitled "A Report to the President on the Maintenance of the Synthetic Rubber Industry in the United States and Disposal of the Government-Owned Synthetic Rubber Facilities," was transmitted with the message (see House Document 448, 81st Cong., 2d sess.).

On June 24, 1950, the President approved a bill extending the Rubber Act of 1948 until June 30, 1952 (64 Stat. 256).

14 Remarks at a Dinner Given by the Chairmen and Directors of Federal Reserve Banks. *January 16, 1950*

Mr. Chairman, gentlemen:

I haven't any business to be discussing things financial with the financial brains that are before me tonight. I am just a farmer from Missouri who had bad luck and got kicked into a big job. I was telling the gentleman on my right here how that came about, and I think he is still somewhat skeptical.

But naturally I am, and always have been, interested in the financial stability of government, whether that government is village, city, county, State, or national. I have spent most of my time studying—since I have been in politics, and that has been a long time—fiscal policies of various segments of the Government of the United States, which in my opinion is the greatest Government that

the sun has ever shone upon, for the simple reason that it is a Government of check and balance. It is a Government that no one man or any one group of men can control. It is a Government that is intended to be in the interests of all the people, and it is 150 million that make it up.

I had my first experience in government fiscal matters as the presiding and executive officer of a county of 500,000 people. And the problems of that county of 500,000 people were just exactly parallel with the problems of 150 million. I had exactly the same trouble with the bankers that I have now. And I had no difficulty in convincing them, when I thought I was right and when I proved to be right, that the right thing to do was what they finally did.

I appreciate very much the kind remarks that your Federal Reserve Chairman has made about me. I hope that his compliments and his good thoughts of me will never have to be called back, because my only interest, my only interest, as President of the United States, is the welfare of the United States of America. And the welfare of the United States of America is the welfare of the world.

Whether we like it or not, we are at the top of the heap in world affairs, a position which none of us likes to contemplate, a position which has responsibilities almost too big for any man or any group of men to contemplate. Yet that position is ours. And the fact that we are willing to assume the responsibility that goes with that position is a part of your responsibility, as well as a part of the responsibility of the United States Government, made up of its Congress, its judiciary, and its President.

This is a serious age through which we are going. This is the aftermath of the

greatest struggle in the history of the world for free government. Never after a struggle of anything like these proportions have we had as many problems to face as we have today.

They are the problems of every citizen of the United States, from the taxicab driver out here at the door to the president and chairman of the board of the greatest bank in the United States, as well as the problems of the President of the United States who is the elected official at the head of the Government.

For that reason I came over here at Tom McCabe's request to meet you and get acquainted with you, and to let you know that in spite of certain information, which has been pretty well distributed, that I do not wear horns and I haven't a tail—I am just an ordinary citizen of this great Republic of ours who has the greatest responsibility in the world and whose responsibility is your responsibility, and for that reason it is necessary that all of us make every effort possible to make successful the goal which we are attempting to attain.

And that is peace in the world—peace in Europe, peace in Asia, peace in South America, peace in Africa, peace in the Western Hemisphere, and the assumption of the leadership necessary to bring that about.

Now gentlemen, you represent the greatest financial institution in the history of the world, except the Treasury of the United States. And between the two of you, we can attain this goal: world peace, world prosperity, and the welfare of all the people.

That is all I am striving for. That is what I hope to have the country on the road to accomplishing when my service as the head of the greatest Government in the history of the world ends.

NOTE: The President spoke at 9:20 p.m. at the Carlton Hotel in Washington. His opening words "Mr. Chairman" referred to Thomas B. McCabe,

Chairman of the Board of Governors of the Federal Reserve System.

15 Remarks to a Delegation From the National Emergency Civil Rights Mobilization Conference. *January 17, 1950*

YOU don't need to make that speech to me, it needs to be made to Senators and Congressmen. Every effort is being made by the executive branch of the Government to get action on these measures. I have been working at them ever since I went to Congress. I went there in 1935, and that is a long time ago.

We have made some progress. We haven't made enough. We hope to make more. The passage of the resolution by the Rules Committee of the House the other day is a blow that is serious and backward-looking. I am doing everything possible to have that motion beaten when it comes up for consideration on the floor of the House. Every effort is being made to get a vote on these measures in the Senate. The leader of the majority and the Vice President have assured me that they will eventually get a vote, if it takes all summer.

I hope that when that vote is taken we will be in a better position to understand who our friends are, and who are not.

This is a serious situation. This civil rights program, which I have sent to the

Congress on every occasion that it has been possible to send it, is one that is necessary, if we are going to maintain our leadership in the world. We can't go on not doing the things that we are asking other people to do in the United Nations.

I hope all of you will continue your hard work on the subject, and that you will make it perfectly plain to the Senators and Congressmen who represent your States and districts that action is what we want; and I think that is possibly the only way we can get action.

I thank you very much.

NOTE: The President spoke at 12:10 p.m. in his office at the White House.

The National Emergency Civil Rights Mobilization Conference, sponsored by 55 organizations interested in the promotion of civil rights, was held in Washington January 15-17, 1950. The conference had as its objective support for the President's civil rights program and particularly for the fair employment practice bill.

The delegation that met with the President was headed by Roy Wilkins, chairman of the conference and acting secretary of the National Association for the Advancement of Colored People. As Mr. Wilkins started to read a prepared statement he was interrupted by the President.

16 The President's News Conference of *January 19, 1950*

THE PRESIDENT. I have no special announcements to make this morning, but I will try to answer your questions if I can.

[1.] Q. Mr. President, do you plan to

name a successor to Myron Taylor?

THE PRESIDENT. The matter is under study.

Q. Does that go also, Mr. President, for continuing the mission?

THE PRESIDENT. It is under study, yes.¹

Q. What was the answer, sir?

THE PRESIDENT. The matter is under study. The State Department is studying it. I think Dean Acheson answered that yesterday.²

[2.] Q. Mr. President, has it been determined when the tax message will go up? ³

THE PRESIDENT. As quickly as it is ready. It will go up in a few days. We have been working very hard on it. No controversy. It is a technical matter. Takes a little time to get it ready.

[3.] Q. Mr. President, do you plan to fill the vacancy on the War Claims Commission any time soon, sir?

THE PRESIDENT. On what?

Q. The War Claims Commission. You recall that one of the commissioners was——

THE PRESIDENT. Oh yes, he was killed in an airplane accident. Yes, we will fill that

¹Myron C. Taylor was appointed as the President's Personal Representative at the Vatican on December 23, 1939; his resignation became effective on January 18, 1950. His letter of resignation and the President's reply, both dated January 18 and released by the White House on the same date, are published in the Department of State Bulletin (vol. 22, p. 181).

On October 20, 1951, the President appointed Gen. Mark W. Clark to be the first U.S. Ambassador to Vatican City. According to reports in the press the White House reaffirmed the power of the President to establish diplomatic relations with the Vatican without consulting Congress but announced that the President would request congressional approval of the nomination.

After widespread controversy on the appointment and protests from numerous Protestant groups, General Clark withdrew as the nominee on January 13, 1952. A U.S. Ambassador to Vatican City was not appointed during the Truman administration.

²On January 18, 1950, Secretary Dean Acheson sent a telegram to the American Embassy in Rome concerning the office of the President's Personal Representative at the Vatican. The text of the telegram was not released.

³See Item 18.

as promptly as we can.⁴

[4.] Q. Mr. President, is Charles Luckman being persuaded to accept a Government position?

THE PRESIDENT. Not that I know of. I haven't had any conversation with him on the subject. All I know about what has happened is what I saw in the paper.

[5.] Q. Mr. President, are you considering direct negotiations with Russia on the hydrogen bomb?

THE PRESIDENT. No.

Q. Mr. President, has David Lilienthal offered to go to Russia on that subject?

THE PRESIDENT. No, he has not.

[6.] Q. Mr. President, the National Lawyers Guild, I believe, has asked you to investigate the FBI, I think, again. Have you received any such request?

THE PRESIDENT. We have received no formal communication from the Lawyers Guild.

Q. Nothing formal——

THE PRESIDENT. We have received no formal communication. I have heard lots of rumors on the subject.

Q. Would you like to say something about it?

THE PRESIDENT. No, I have no comment.

Q. Mr. President, we didn't hear the question, I'm sorry.

THE PRESIDENT. They wanted to know if the Lawyers Guild was going to ask me to investigate the FBI, and I told him I hadn't heard it officially.

[7.] Q. Mr. President, what did you see Congressman Sabath about this morning?

⁴On February 28, 1950, the President transmitted to the Senate the nomination of Myron Wiener as a member of the War Claims Commission. The appointment filled the vacancy created by the death of David N. Lewis on November 29, 1949, when he was killed in the crash of an airliner in Dallas, Tex.

THE PRESIDENT. The proposed change in the rules of the House. He came up to talk to me about it at my suggestion.⁵

Q. Are you against it? [*Laughter*]

THE PRESIDENT. Of course I am against it. I hope they won't do it.

Q. Mr. President, he suggested he might make a change himself, by way of appeasing the southerners. Did he discuss that with you?

THE PRESIDENT. I don't know what that change is. I didn't discuss that with him. I told him I was opposed to the change. Period.

Q. Was he optimistic about beating it?

THE PRESIDENT. He thought he could beat it. That is the change.

Q. Mr. President, have you spoken to Speaker Rayburn on this whole subject of the rules change—

THE PRESIDENT. Yes, I have—yes, I have. I have talked to Speaker Rayburn every Monday on the subject for the last year and a half, and the year before that, also.

Q. I mean particularly this Monday, sir? [*Laughter*]

THE PRESIDENT. Yes, we discussed it.

Q. Are you in agreement on it, Mr. President?

THE PRESIDENT. Yes.

[8.] Q. Mr. President, is there a nomination in sight for Alien Property Custodian?

THE PRESIDENT. I thought the Alien Prop-

erty Custodian business was wound up. Which is it? Maybe I'm mistaken—I was thinking about surplus property. That is about to wind up.

[9.] Q. Mr. President, were you able to work out an agreement on the Missouri senatorial primary with the Missouri politicians this week?

THE PRESIDENT. I made a statement last week in which I said that I was for Allison,⁶ and I think you will find the Missouri politicians generally in agreement with that.

Q. Generally in agreement?

THE PRESIDENT. Yes. [*Laughter*]

Q. Mr. President, does that mean that these other men may withdraw?

THE PRESIDENT. I can't answer that question. You see, Missouri has a free primary, and anybody in the world can run that wants to. There is nothing to prevent them—nothing to prevent them trying it. I am just answering your question.

[10.] Q. Mr. President, are your legal advisers in agreement with Senator Taft, who says that the Taft-Hartley Act offers no basis for Mr. Denham's action yesterday against the⁷—

THE PRESIDENT. I can't answer that. Mr. Denham is acting for the National Labor Relations Board. He has a right to take such steps as he thinks the law provides. He has been in close touch with the White

⁶ See Item 3 [8].

⁷ On January 18, Robert N. Denham, General Counsel, National Labor Relations Board, filed a petition in the Federal District Court to compel John L. Lewis and the United Mine Workers of America to restore normal coal production.

Denham based his petition on the section of the Taft-Hartley law forbidding unfair labor practices. According to the New York Times, Senator Robert A. Taft of Ohio stated that he did not believe the avenue of approach used by Mr. Denham would be a suitable substitute for invocation of the national emergency section of the Taft-Hartley Act.

⁵ Representative Adolph J. Sabath of Illinois, Chairman of the House Rules Committee. The proposed change in the rules had to do with an attempt to restore the power of the Committee to pigeonhole bills. Under the rule in effect since January 3, 1949, any bill held up by the Rules Committee for 21 days could be brought to the floor at the call of the chairman of the committee of original jurisdiction—provided the Speaker recognized him for such a call. On January 20 the House voted 236-183 to retain the 21-day rule.

House, but the White House has had nothing to do with his actions.

[11.] Q. Mr. President, do you favor former Assistant Attorney General Alex Campbell for nomination to the Senate in Indiana?

THE PRESIDENT. I am not in the Indiana senatorial primary. I am only in the Missouri primary.

Q. Yes, sir.

THE PRESIDENT. After the primary is over in Indiana I hope to help elect a Democratic Senator from Indiana.

[12.] Q. Mr. President, getting back, did you say that Missouri Democrats were in general agreement with you, or generally in agreement with you? [*Laughter*]

THE PRESIDENT. Now, what do you mean by that question? [*More laughter*] Are you a lawyer? What do you mean by that question? I think it means the same thing.

[13.] Q. Mr. President, it has been reported in Chicago that come election time—not primary time—that you will be making one or more speeches in Illinois for Senator Lucas?

THE PRESIDENT. We will cross that bridge when we get to it. Of course, I want Senator Lucas to come back now, and I will do everything I can to help him come back. If it requires that, I will do it.

[14.] Q. May I go back to the Denham matter a moment?

THE PRESIDENT. Yes.

Q. I understand he has a right to take what action he thinks proper?

THE PRESIDENT. That is correct.

Q. Have you had communication with him on the subject?

THE PRESIDENT. No. He was in communication with me. I had no communication whatever. He told us what he was going to do, and we listened.

[15.] Q. Mr. President, have you decided on the successor to Mr. Lilienthal? ⁸

THE PRESIDENT. No, I have not. I will announce it whenever I am ready.

[16.] Q. Mr. President, is there anything more you can tell us about the plans for the leaders in the Senate to keep the Senate through the summer if necessary to get a civil rights vote?

THE PRESIDENT. No, I can't comment further on that. I have said all that is necessary. What is it somebody wants to ask me?

[17.] Q. Do you plan any further action in the coal dispute?

THE PRESIDENT. I am in constant touch with the situation in the coal industry. When the situation develops to the point where it is necessary for me to take action, I will take it.

[18.] Q. Mr. President, do you have under consideration the production of a hydrogen bomb?

THE PRESIDENT. I cannot comment on that.⁹

[19.] Q. Mr. President, you won't take any part in the primary race in South Carolina?

THE PRESIDENT. I will take no part in any primary race outside the State of Missouri. That is my State, where I have the right to do as I please. The other States have a right to do as they please. After the primaries are over, then I will be in a different frame of mind.

[20.] Q. Has anybody discussed the question of a formula by which you can go to determine when there is and when there

⁸ The resignation of David E. Lilienthal as Chairman of the Atomic Energy Commission became effective on February 15, 1950. On February 16, 1950, the President designated Sumner T. Pike as Acting Chairman of the Commission, and on July 11, 1950, Mr. Truman appointed Gordon E. Dean to be Chairman of the Commission.

⁹ See Item 26.

is not a coal emergency, that is, when the shortage is——

THE PRESIDENT. The decision is in the hands of the President, and when the President thinks there is an emergency, he will declare it and take whatever action is necessary.

Q. In other words, the emergency has not arisen?

THE PRESIDENT. The emergency is not here. The national emergency is not here.

Q. Mr. President, if things go on as they are now, how long do you think it will be before there would be a national emergency?

THE PRESIDENT. Your guess is as good as mine. I get constant reports on the situation. When I think there is an emergency, I will make a statement on it, and I think you will understand it clearly.

Q. Does an emergency threaten, Mr. President?

THE PRESIDENT. I don't care to answer that question. You will have to dig that up for yourself.

Q. Has the Denham action your blessing, Mr. President?

THE PRESIDENT. Mr. Denham is working for the National Labor Relations Board, and it is not my business to bless him or unbless him. [Laughter]

Q. Mr. President, if there is no objection—is there any connection between Mr. Denham's action and the presence or the lack of presence of a national emergency?

THE PRESIDENT. None that I know of. None that I know of—no connection. Mr. Denham was requested to take any action ever since the 31st of December, and he has generally decided to take it.

Q. It isn't really a national emergency?

THE PRESIDENT. No, no. Has nothing to do with a national emergency.

[21.] Q. Mr. President, you don't have

any comment on former Secretary Jimmy Byrnes entering¹⁰——

THE PRESIDENT. No, I have no comment. Mr. Byrnes is a free agent to do as he damn pleases. [Laughter]

Q. That's a good quote, Mr. President! [Laughter]

[22.] Q. Mr. President, I want to ask one question, because I know that everybody wants it answered. Will there be any change in the status of General Vaughan as a result of the reports¹¹——

THE PRESIDENT. There will be none.

[23.] Q. On the subject of Mr. Denham, Mr. President, have various calls which have been sounded by individuals for the recall of Mr. Denham been brought to your attention in any official——

THE PRESIDENT. I have seen them in the paper, but nowhere else.

Q. Nowhere else?

THE PRESIDENT. Nowhere else but in the paper. Like a lot of other guesses that get into the papers. [Laughter]

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and thirteenth news conference was held in his office at the White House at 10:30 a.m. on Thursday, January 19, 1950.

¹⁰ On January 14 James F. Byrnes, former Secretary of State, announced that he would be a candidate for the Democratic nomination as Governor of South Carolina.

¹¹ Maj. Gen. Harry H. Vaughn, Military Aide to the President.

The report of the Investigations Subcommittee of the Senate Committee on Expenditures in the Executive Departments, entitled "The 5-Percenter Investigation," was submitted to the Senate on January 18, 1950. It is published in Senate Report 1232 (81st Cong., 2d sess.).

The report dealt with the problem of "management consultants," influence peddlers who sought to convince the small businessman that their services were needed in order to obtain Government contracts.

17 Statement by the President on the Rejection by the House of Representatives of the Korean Aid Bill. *January 21, 1950*

I AM releasing herewith a letter which I have received from the Secretary of State about the action of the House of Representatives in rejecting the Korean aid bill on Thursday by a vote of 193 to 191. I entirely concur in the Secretary's views as to the seriousness of this action and the necessity for its speedy rectification. I shall take up this matter with congressional leaders and urge upon them the need for immediate action, in order that important foreign policy interests of this country may be properly safeguarded.

NOTE: The letter of the Secretary of State, dated January 20, follows:

"Dear Mr. President:

"The Department of State received with concern and dismay the report that the House of Representatives had rejected the Korean Aid Bill of 1949 by a vote of 193 to 191. This action, if not quickly repaired, will have the most far-reaching adverse effects upon our foreign policy, not only in Korea but in many other areas of the world. It has been fundamental to our policy that in those areas where a reasonable amount of American aid can make the difference between the maintenance of national independence and its collapse under totalitarian pressure, we should extend such aid within a prudent assessment of our capabilities. The American people understand this policy and have supported our extending aid in such circumstances; the success of such aid is a matter of public record.

"The Republic of Korea owes its existence in large measure to the United States, which freed the country from Japanese control. The peoples of the Republic of Korea, the other peoples of Asia, and the members of the United Nations under whose observation a government of the Republic was freely elected, alike look to our conduct in Korea as a

measure of the seriousness of our concern with the freedom and welfare of peoples maintaining their independence in the face of great obstacles. We have not only given the Republic of Korea independence; since then we have provided the economic, military, technical, and other assistance necessary to its continued existence. Of the current program of economic assistance we are extending to Korea, half was provided by the Congress during the previous session. The withholding of the remainder would bring our efforts to an end in mid-course. It is our considered judgment that if our limited assistance is continued the Republic will have a good chance of survival as a free nation. Should such further aid be denied, that chance may well be lost and all our previous efforts perhaps prove to have been vain.

"We are concerned not only about the consequences of this abrupt about-face in Korea, whose government and people have made valiant efforts to win their independence and establish free institutions under the most difficult circumstances, but we are also deeply concerned by the effect which would be created in other parts of the world where our encouragement is a major element in the struggle for freedom.

"It is difficult for us to believe that the Members of the House of Representatives who voted against this measure took sufficiently into account the serious implications of this action upon the position of the United States in the Far East. These implications were set forth in considerable detail in hearings before the committees of Congress by the Department of State, Department of Defense and the Economic Cooperation Administration.

"In our judgment it would be disastrous for the foreign policy of the United States for us to consider this action by the House of Representatives as its last word on the matter.

"Faithfully yours,

"DEAN ACHESON"

On February 14, 1950, the President approved the Far Eastern Economic Assistance Act of 1950 (64 Stat. 5).

18 Special Message to the Congress on Tax Policy. *January 23, 1950*

To the Congress of the United States:

The tax policy of the United States Government is of major significance to the na-

tional welfare. Taxes are the means by which our people pay for the activities of the Government which are necessary to our

survival and progress as a nation. Decisions about Federal tax policy should be made in full recognition of the economic and budgetary situation, and should contribute to our national objectives of economic growth and broader opportunity for all our citizens.

At the present time, I believe we should make some revisions in our tax laws to improve the fairness of the tax system, to bring in some additional revenue, and to strengthen our economy.

Our general objective should be a tax system which will yield sufficient revenue in times of high employment, production, and national income to meet the necessary expenditures of the Government and leave some surplus for debt reduction. In the Budget Message, I estimated that receipts in the fiscal year 1951 will fall short of meeting expenditures by 5.1 billion dollars. This deficit will be due largely to the shortsighted tax reduction enacted by the Eightieth Congress, and to the present necessity for large expenditures for national security and world peace. Moreover, owing to the time lag between corporation earnings and tax payments, the 1949 decline in corporation profits will be reflected in lower tax receipts in the fiscal year 1951.

The policies I am recommending to the Congress are designed to reduce the deficit and bring about a budgetary balance as rapidly as we can safely do so. These policies are threefold: first, to hold expenditures to the lowest level consistent with the national interest; second, to encourage and stimulate business expansion which will result in more revenue; and third, to make a number of changes in the tax laws which will bring in some net additional revenue and at the same time improve the equity of our tax system.

First, as to Government expenditures.

I have recently transmitted to the Congress a budget containing recommendations for appropriations and estimates of expenditures

for the fiscal year 1951. This budget was carefully prepared with a view toward holding expenditures to the lowest possible levels consistent with the requirements of national security, world peace, economic growth, and the well-being of our people.

The decisions of the Congress, as well as unpredictable changes in circumstances over the next eighteen months, may alter in many particulars the character and amount of the expenditures contemplated in this budget. Nevertheless, I believe the estimates contained in the budget represent the most realistic appraisal that it is possible to make at this time of the necessary expenditures in 1951. I believe the Congress will generally concur in this view after it has had an opportunity to consider these estimates carefully.

The expenditures estimated in the 1951 budget have been reduced by about 900 million dollars below the level estimated for the present fiscal year. The policies recommended in the budget will permit further reductions in subsequent years as the cost of some of the extraordinary postwar programs continue to decline.

To achieve these reductions we must continue to practice rigid economy. At the same time, it would be self-defeating to cripple activities which are essential to our national strength. It will require wisdom and courage to find and hold fast to the course of wise economy without straying into the field of foolish budget slashes.

Second, as to the strength and growth of our national economy.

We cannot achieve and maintain a balanced budget without a strong and prosperous economy. A recession in economic activity would call for increased Government expenditures at the same time that revenues were reduced, thus creating greater budget deficits.

At the present time, the economy of the United States is growing, and we have every

reason to expect it to continue to expand if we follow the right policies. It is largely the task of private business to achieve this growth. The Government, however, can and should contribute to it. Through such cooperation, national employment and income will grow. This will result, in time, in increasing Government revenues.

Just as the condition of our national economy has an overriding effect upon our efforts to balance the budget, so do our policies for managing the Federal budget have a decisive effect upon the national economy. Drastic reductions in Federal expenditures in the wrong places and at the wrong time could have serious disruptive effects throughout our economy.

Government revenue policies are as important in our economy as Government expenditure policies. Events of the last few years have proved that our economy can grow and prosper, and that employment, production and incomes can increase, at the same time that individuals and businesses are paying taxes which are high by prewar standards. However, taxes can and do have an important effect upon business conditions and economic activity. It should be our constant objective to improve our tax system so that the required revenues can be obtained without impairing the private initiative and enterprise essential to continued economic growth.

We should always keep in mind that the maintenance of a sound fiscal position on the part of the Government is a long-range matter. Nothing could be more foolhardy than to attempt to bring about a balanced budget in 1951 by measures that would make it impossible to maintain a balanced budget in the following years.

Third, as to changes in the tax laws.

If, over the next few years, we hold expenditures to the minimum necessary levels and at the same time follow policies which

contribute to stable economic growth, we can look forward to steady progress toward a balanced budget. Nevertheless, we should not rely only upon budgetary economy and upon economic expansion to produce a balanced budget. We should accelerate the attainment of this objective by changes in the tax laws. Drastic increases in tax rates, just as in the case of drastic cuts in essential expenditures, might prove to be self-defeating. Our primary objective should be to improve and strengthen our revenue system for the long run.

Under these circumstances, I am now recommending a number of important revisions in our present tax system, to reduce present inequities, to stimulate business activity, and to yield about one billion dollars in net additional revenue.

In making changes in the tax laws, we should be sure they move toward, and not away from, the major principles of a good tax system. Our tax structure should recognize differences in ability to pay; it should provide incentives to new undertakings and the expansion of existing businesses; it should support the objective of increasing opportunities for all our citizens to obtain a better standard of living; and it should rigidly exclude unfairness or favoritism.

Over the years, we have made important progress in building a good tax system. However, much remains to be done. There is need further to improve the distribution of the tax load to make it conform better with tax paying ability. There is need to reduce taxes which burden consumption and handicap particular businesses. Moreover, we should eliminate tax loopholes which enable some few to escape their share of the cost of government at the expense of the rest of the American people.

Many of the important and desirable tax revisions which should be made must be postponed until the budget situation im-

proves. Nevertheless, a number of those steps can and should be taken now.

First, I recommend that excise taxes be reduced to the extent, and only to the extent, that the resulting loss in revenue is replaced by revenue obtained from closing loopholes in the present tax laws.

The excise taxes are still at substantially their wartime levels. Some are depressing certain lines of business. Some burden consumption and fall with particular weight on low-income groups. Still others add to the cost of living by increasing business costs.

Since we are limited in the amount of reduction we can now afford, we should choose for reduction those taxes which have the most undesirable effects. I believe that reductions are most urgently needed in the excise taxes on transportation of property, transportation of persons, long-distance telephone and telegraph communications, and the entire group of retail excises, including such items as toilet preparations, luggage, and handbags.

If these revisions are made, we will have reduced the most serious inequities of our present excise taxes. We should go further just as quickly as budgetary conditions permit. At present, however, we should reduce excises only to the extent that the loss in revenue can be recouped by eliminating the tax loopholes which now permit some groups to escape their fair share of taxation.

The continued escape of privileged groups from taxation violates the fundamental democratic principle of fair treatment for all, and undermines public confidence in the tax system. While few of these loopholes by themselves involve major revenue losses, collectively they result in the loss of many hundreds of millions of dollars every year.

I wish to call the attention of the Congress to the more important of these loopholes. While some of them are of long standing, their injustice has been aggravated

as the taxes assessed against the rest of the population have been increased. A tax concession to a favored few is always unfair, but it becomes a gross injustice against the rest of the population when tax rates are high. The case for the elimination of these inequities would be strong even if there were no need for replacement revenue. It is compelling when excise relief depends on it.

I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests.

Under these exemptions, large percentages of the income from oil and mining properties escape taxation, year after year. Owners of mines and oil wells are permitted, after deducting all costs of doing business, to exclude from taxation on account of depletion as much as half of their net income. In the case of ordinary businesses, investment in physical assets is recovered tax-free through depreciation deductions. When the original investment has been recovered, a depreciation deduction is no longer allowed under the tax laws. In the case of oil and mining businesses, however, the depletion exemption goes on and on, year after year, even though the original investment in the property has already been recovered tax free, not once but many times over.

Originally introduced as a moderate measure to stimulate essential production in the first World War, this special treatment has been extended during later years. At the present time, these exemptions, together with another preferential provision which permits oil-well investment costs to be immediately deducted from income regardless of source, are allowing individuals to build up vast fortunes, with little more than token contributions to tax revenues.

For example, during the five years 1943 to 1947, during which it was necessary to collect an income tax from people earning less

than \$20 a week, one oil operator was able, because of these loopholes, to develop properties yielding nearly \$5,000,000 in a single year without payment of any income tax. In addition to escaping the payment of tax on his large income from oil operations, he was also able through the use of his oil tax exemptions to escape payment of tax on most of his income from other sources. For the five years, his income taxes totaled less than \$100,000, although his income from non-oil sources alone averaged almost \$1,000,000 each year.

This is a shocking example of how present tax loopholes permit a few to gain enormous wealth without paying their fair share of taxes.

I am well aware that these tax privileges are sometimes defended on the grounds that they encourage the production of strategic minerals. It is true that we wish to encourage such production. But the tax bounties distributed under present law bear only a haphazard relationship to our real need for proper incentives to encourage the exploration, development and conservation of our mineral resources. A forward-looking resources program does not require that we give hundreds of millions of dollars annually in tax exemptions to a favored few at the expense of the many.

Some tax loopholes have also been developed through the abuse of the tax exemption accorded educational and charitable organizations. It has properly been the policy of the Federal Government since the beginning of the income tax to encourage the development of these organizations. That policy should not be changed. But the few glaring abuses of the tax exemption privilege should be stopped.

Responsible educational leaders share in the concern about the fact that an exemption intended to protect educational activities has been misused in a few instances to gain com-

petitive advantage over private enterprise through the conduct of business and industrial operations entirely unrelated to educational activities.

There are also instances where the exemption accorded charitable trust funds has been used as a cloak for speculative business ventures, and the funds intended for charitable purposes, buttressed by tax exemption, have been used to acquire or retain control over a wide variety of industrial enterprises.

These and other unintended advantages can and should be removed without jeopardizing the basic purposes of those organizations which should rightly be aided by tax exemption.

A problem exists also with respect to life insurance companies. The tax laws have always accorded favorable treatment to the income received by individuals from life insurance policies and have made special provision for the taxation of life insurance companies. As a result of a quirk in the present law, however, life insurance companies have unintentionally been relieved of income taxes since 1946. This anomalous situation has meant that neither the companies nor their policyholders have paid taxes on more than 1.5 billion dollars of investment income per year, derived from productive assets worth about 60 billion dollars.

I understand that the Committee on Ways and Means of the House of Representatives has already undertaken to correct this situation for the past years. I urge that steps also be taken to develop a permanent system for the taxation of life insurance companies which will remove the inequities of under-taxation in this field without impairing the ability of individuals to acquire life insurance protection.

In addition to the tax loopholes I have described, there are a number of others which also represent inequities, and should

be closed. Most of these permit individuals, by one device or another, to take unfair advantage of the difference between the tax rates on ordinary income and the lower tax rates on capital gains. As one example, under present law producers of motion pictures, and their star players, have attempted to avoid taxes by creating temporary corporations which are dissolved after making one film. By this device, their income from making the film, which ought to be taxed at the individual income tax rates, would be taxed only at the capital gains rate. Thus, they might escape as much as two-thirds of the tax they should pay.

All these loopholes have been under joint study by the Treasury Department and the staff of the Congressional Joint Committee on Internal Revenue Taxation. A practical program which would go far toward closing these loopholes can be enacted during the present session of the Congress. This would be a substantial step toward increasing the fairness of our tax system, and should add several hundred million dollars to its yield—sufficient revenue to permit substantial excise tax reduction where it is most urgently needed.

I wish to make it very clear that I could not approve excise tax reductions unless they were accompanied by provision for replacement of the revenue lost, because I am convinced that sound fiscal policy will not permit a weakening of our tax system at this time. Under present conditions, we cannot afford to reduce excise taxes first, in the hope that action will be taken later to make up for the loss in revenue.

Second, I recommend that the Congress enact legislation to provide one billion dollars in additional revenue, by revising and improving the estate and gift tax and the corporation tax laws. I believe that, under present economic conditions, this amount of additional revenue represents a proper bal-

ance between the objective of balancing the budget as soon as possible and the objective of coordinating tax adjustments with the requirements of continued prosperity.

A substantial part of the additional revenue should be obtained from revision of the estate and gift tax laws.

The Revenue Act of 1948 reduced the yield of the estate and gift taxes by one-third, or nearly 300 million dollars. Even before that Act, estate and gift tax yields were out of line with other revenues, and that Act made the situation worse.

In originally enacting the estate tax in 1916, the Congress pointed out that "our revenue system should be more evenly and equitably balanced" and that a "larger portion of our necessary revenues" should be collected from the "inheritances of those deriving most protection from the Government." Our estate and gift tax laws at present fall far short of this objective. They now produce less than 2 per cent of internal revenues, compared with 7 per cent ten years ago. To the extent that these taxes remain too low, the remainder of our tax structure must bear a disproportionate load.

The low yield from the estate and gift taxes is due to serious weaknesses in the present law.

These weaknesses include excessive exemptions, unduly low effective rates on most estates, and the fact that the law as written favors large estates over smaller ones, and leaves substantial amounts of wealth completely beyond the reach of the tax laws. Large fortunes may be transmitted from one generation to another free of estate or gift tax through the use of life estates. By this means, vast accumulations of wealth may completely escape tax over several generations.

Furthermore, the present law affords excessive opportunities for tax reduction by splitting between the gift and estate taxes

the total amount of wealth transferred by an individual. This makes the tax liability depend, not upon the amount of wealth which an individual leaves to his family, but upon the manner in which he arranges the disposition of his wealth. If a man leaves his estate of \$300,000 at death, one-half to his wife and one-half to his three children, an estate tax of \$17,500 must be paid. If his equally well-to-do neighbor gives away \$180,000 to his wife and three children over a 5-year period and leaves them the other \$120,000 at death, no estate or gift tax whatever is paid. This difference in tax, whether it depends upon fortuitous circumstances or the caliber of legal counsel, is obviously unwarranted.

To strengthen the estate and gift tax laws, several steps are necessary. The laws concerning the taxation of transfers by gift and by bequest, by outright disposition and through life estates, need to be coordinated to provide uniform treatment and a base for more effective taxation. In addition, the present exemptions should be reduced and the rates should be revised. These changes will not only bring in more revenue, but they will also improve the fairness of the estate and gift tax laws and bring these taxes nearer to their proper long-term place in our tax system.

The rest of the additional revenue should be obtained from adjustments in the corporation income tax. At the same time, certain improvements should be made in this tax.

I recommend a moderate increase in the tax rate applicable to that part of a corporation's income which is in excess of \$50,000. At the same time, I recommend that the tax rate on corporate income between \$25,000 and \$50,000, which is now taxed at the excessively high "notch" rate of 53 per cent, be reduced to the same rate that applies above \$50,000.

These changes in the tax rate structure would go far toward removing the handicaps which the present law places upon the expansion of small corporations. The removal of the excessive "notch" rate would reduce the taxes paid by medium-sized corporations whose continued growth is so essential to the dynamic expansion of our economy. The existing favorable tax rates for small corporations with incomes below \$25,000 would be retained. The tax increase would be confined to less than one-tenth of all corporations.

Furthermore, I recommend that the loss carry-forward provision be extended from two to five years to provide more scope for offsetting losses of bad years against profits of subsequent years. This extension will give increased incentive to business investment affected by uncertain profit expectations. It will be particularly helpful to new businesses which, under the present provision permitting losses to be carried forward only two years, may be required to pay taxes over a period of several years during which they actually suffer a net loss.

At the same time that we make these changes in the tax laws to stimulate investment at home, we should make certain changes in the tax laws concerning income derived from foreign investments and personal services abroad. This would provide significant support to our efforts to extend financial and technical assistance to underdeveloped regions of the world.

Among the steps which should be taken at this time are to postpone the tax on corporate income earned abroad until it is brought home, to extend and generalize the present credit for taxes paid abroad, and to liberalize the foreign residence requirement for exemption of income earned abroad. These changes, together with the safeguards for our investors which we are in the process

of negotiating with foreign governments, will provide real stimulation for the expansion of United States investment abroad.

The tax program I am recommending is designed to strengthen our tax system so that it will yield revenues sufficient to balance expenditures as they are further reduced over the next several years, and to provide some surplus for debt reduction. Because of the time lag in collecting taxes after their enactment, these recommendations will not result in any substantial increase in receipts in the fiscal year 1951, but they will result in larger revenues in subsequent years and, at the same time, substantially improve the structure of our tax system for the long run.

A sharp increase in taxes under present economic conditions would be unwise. However, in line with the policy of gearing

changes in revenue laws to the needs of our economy, I would not hesitate, if strong inflationary or deflationary forces should appear, to support the use of all measures necessary to meet the situation, including more pronounced adjustment of tax rates upward or downward, as the case might be.

We have come through the war and a difficult transition period with the financial strength of our Government maintained and an economy producing far above prewar levels. We should continuously seek to sustain and improve these indispensable foundations for progress. The tax program I am recommending is an important and necessary means to that end.

HARRY S. TRUMAN

NOTE: On September 23, 1950, the President approved the Revenue Act of 1950 (64 Stat. 906).

19 Statement by the President on the New 75-Cent Minimum Wage Rate. *January 24, 1950*

AT MIDNIGHT tonight the lot of a great many American workers will be substantially improved.

Today the minimum wage is 40 cents an hour. Tomorrow the new 75-cent minimum rate goes into effect for the 22 million workers who are protected by the Fair Labor Standards Act, our Federal wage-hour law. Another amendment to that law will provide greatly increased protection for our young boys and girls against dangerous industrial work.

This legislation, passed by the 81st Congress at its first session, is an important addition to the laws we live by. It is a measure dictated by social justice. It adds to our economic strength. It is founded on the belief that full human dignity requires at least a minimum level of economic sufficiency and security.

For many generations we have recognized that there are legitimate roles for the Government to play in protecting our people from economic injustice and hardship. Our Founding Fathers explicitly stated this. In the Preamble to the Constitution of the United States, it is declared that this Government was established, among other reasons, to "promote the general welfare."

Until 1933 the objective of providing for the general welfare had been implemented primarily through State and Federal legislation to foster and protect business enterprise. There had been few successful attempts before 1933 to protect our people as individuals. Even the first Federal attempt to provide a floor under wages in various industries failed when the National Industrial Recovery Act was declared unconstitutional in 1935.

We felt, however, that a government

which could, for example, protect business from the unfair competition of monopolistic practices was not powerless to protect the individual from the social and economic evils of low wages. Therefore, we enacted, in 1938, a Federal wage-hour law. In so doing, we declared our purpose to eliminate from the channels of commerce all competition based on labor practices detrimental to the health and well-being of the Nation's workers.

Three basic provisions were written into the statute to achieve that goal. The law set a firm floor under wages. This meant that a man would no longer need relief money for food after he worked a full week. Then the law encouraged the spreading of employment by requiring overtime pay after a man worked 40 hours. No longer would one man toil 60 or 70 hours a week while another man was looking for a job. The law also sought to prevent the employment of boys and girls under 16 in industry. No longer was the world of tomorrow to be endangered by impairment of the health and curtailment of the educational opportunities of the youth of today.

This law was a great achievement. It had a highly beneficial effect upon our entire economy. Despite the prophesies of disaster, this law did not hurt business. On the contrary, it helped all segments of our population. When the test came, employers who had feared they could not stay in business under the law found, in fact, that they could successfully meet its requirements. The law added to the purchasing power of our lowpaid workers, and by encouraging the spreading of work put more people on

payrolls. This law thus gave great impetus to the revival of our economy.

As our economy changed and developed, however, it became apparent that the floor we had placed under wages would no longer serve as real protection to our workers or to those employers who were paying fair wages. As I stated to the Congress, the 40-cent minimum wage became obsolete.

Ours is a growing society. We cannot afford to stand still, and we cannot afford to have our legislation become outmoded. Consequently, in 1949 we reexamined and reappraised the Federal wage-hour law in the light of the 11 years' experience we had had with it and in the context of our present \$250 billion national economy. The amendments to the act, which go into effect at midnight tonight, constitute our modernization of this law.

As now amended, the Fair Labor Standards Act is a good law. But no law can be drafted which will not need reexamination in the light of subsequent developments. I have therefore asked the Secretary of Labor to keep me informed on the operation of the new law. I am confident that our employers and workers will find compliance with this law even easier than compliance with the original statute in 1938. I look forward to great and lasting benefits from this legislation.

Our progress in this field points the way for our future action. We shall not relax in our efforts to provide a better life for all our people.

NOTE: The Fair Labor Standards Amendments of 1949 was approved on October 26, 1949 (63 Stat. 910). For the President's statement upon signing the bill see 1949 volume, this series, Item 239.

20 Exchange of Messages With President Prasad of India.
January 26, 1950

ON THIS memorable day in India's history, I send my greetings and best wishes and those of the people of the United States to you, and through you to the people of the Union of India. The establishment of the sovereign independent republic of India within the Commonwealth represents a final step in India's political transition which closely parallels the political evolution of our own country. Because of our traditional sympathy with India, the people of the United States are particularly happy to send expressions of good will on this occasion.

The inauguration of India's new form of government and of its new Constitution, and the assumption of office by the first President, constitute an auspicious beginning of the second half of the Twentieth Century. May the future of the new republic, functioning under its democratic Constitution, be characterized by peace, prosperity and good fortune.

HARRY S. TRUMAN

[His Excellency, The President of the Union of India, New Delhi]

NOTE: President Prasad's message follows:

On behalf of the people of the Republic of India, I desire to thank you, Mr. President, and through you the people of the United States of America for your greetings and wishes on this historic occasion. The inauguration of the Republic is a conspicuous landmark in the long and eventful history of our country in the struggle for our independence.

We have always had the sympathy and understanding of the people of the United States of America. During the last two years the relations between our two countries have become closer through exchange of Ambassadors and the visit of my Prime Minister last autumn to the United States.

As first President of the Republic of India it shall be my constant endeavour to uphold the traditions of democratic government and to foster, together with other like-minded nations, the ideals of peace and moral law that we have inherited from the Father of our Nation, Mahatma Gandhi. In this task, I am sure we can count on the cooperation of the Government and people of the United States, whose principles of individual liberty and the rule of law are reflected in the provisions of our own Constitution.

RAJENDRA PRASAD

21 Remarks to the Women's Patriotic Conference on
National Defense. *January 26, 1950*

Madam President and ladies and gentlemen:

It is a very great pleasure for me to have the privilege of being here tonight. I wish I could have been here for the whole evening, but this has been quite a busy day for me. Every day is, for that matter. You know, I spend most of my time urging people to do what they ought to do without being urged. That is what is called the power of the President. His powers are mostly public relations. He is elected the President of the United States, and he is the only member of the Government who is elected at large, except the Vice President;

and the Vice President is elected along with him.

But the Vice President, as Mr. Dawes once said, has only two duties: one is to preside over the Senate, and the other one is to inquire about the President's health. The Vice President and I spent many happy hours in the Senate, and he presides over the Senate, and he is not a bit interested in the health of the President.

I had an experience today that is rather unusual. One of my closest friends, the mayor of Independence, Mo., passed away on Tuesday night very suddenly, from a

heart attack. He and I were raised together in our hometown. He is 5 or 6 years younger than I am—or was. We were in the First World War together. He started out as the commanding officer of C Battery from Independence. At Camp Doniphan he was made commander of A Battery. After that he was made regimental adjutant of my regiment of field artillery and he was in that position until the war was over.

He has been mayor of Independence since 1924, when he was elected to that office. He was elected to that office when I was in my first elective office. The returned soldiers in that town, with my cooperation and help, made him mayor. He was a great mayor of that great city. And I was most anxious to be present to pay my respects to his passing, but conditions were such here in Washington that I had to stay here and discuss things that affected the whole Nation all morning this morning.

And then this afternoon, the daughter of another one of my closest friends was married, and I was present at that ceremony. That young lady I remember when she was like this—along with my daughter. She is younger than my daughter, but I won't give away her age.

That brings home to me that here are the young people ready to take up for the country, and here are those of us who have passed the threescore mark, passing on to the next world, leaving it to the younger people.

I have but one ambition as President of the United States, and that is to see peace in the world, and a working, efficient United Nations to keep the peace in the world. Then I shall be willing to do what my mayor did, pass on happily so that some able, younger man may carry on the work necessary to keep this Government going.

You know we have the greatest government in the world. I understand that this is a meeting of the patriotic women of the

United States. Patriotic means "father," and patriotic means that you are working to carry on for the benefit of your father—carrying on for the benefit of your country. And when you carry on for the benefit of the only country in the world whose interest is the welfare of all the people in the world, you can't help but do what is right.

There is no difference in totalitarian states, they are all just alike. They believe in government for the few and not for the welfare of the many. Our Government is founded on the theory that government is for the welfare of the whole people and not for just a few at the top.

I believe that sincerely. I have made quite a study of government. I have had quite a lot of experience in governmental affairs. In fact, I have been in it for about 30 years, more or less, and my viewpoint has not changed.

I think the Constitution of the United States is the greatest document of government that the history of the world has ever seen, and I expect to devote the rest of my life, if the Lord is good to me, to upholding and supporting that article of government.

When we do that, we will support the United Nations and we will support the welfare of all the people in the world. And eventually we will have permanent peace. That is all I live for.

Thank you very much.

NOTE: The President spoke at 10 p.m. at the Statler Hotel in Washington. His opening words "Madam President" referred to Mrs. Norman Sheeche, national president of the American Legion Auxiliary. In the course of his remarks he referred to Roger T. Sermon, former Mayor of Independence, Mo., and Edith Cook (Drucie) Snyder, daughter of the Secretary of the Treasury and Mrs. John W. Snyder, who was married that day to Maj. John E. Horton, former White House aide, at the National Cathedral in Washington.

The conference was composed of 35 different women's patriotic organizations from throughout the United States.

22 Statement by the President Upon Issuing Order Providing for the Administration of the Mutual Defense Assistance Act.

January 27, 1950

DURING the past 2 years the free nations of Europe, with the help of the United States, have made great strides toward recovery. An essential element in this program has been the establishment of conditions in Western Europe adequate to give confidence to the people and to insure a reasonable prospect that the fruits of their labor would not be immediately lost in the event of aggression.

It was realized that an adequate security arrangement could be organized only if the free nations of Western Europe joined together and strengthened their individual and collective defense through self-help and mutual aid and if the United States joined in the collective enterprise. In recognition of this fact, the North Atlantic Treaty was signed on April 4, 1949. Further, in recognition of the concept of self-help and mutual aid embodied in article 3 of the treaty, I asked the Congress to authorize the furnishing of military assistance to certain of its signatories. At the same time I requested authorization to furnish military assistance to certain other free nations.

In response to my request, the Congress passed the Mutual Defense Assistance Act of 1949 on October 6, 1949. Under its provisions I am authorized to furnish military assistance to certain foreign countries which meet the specific conditions prescribed in the law. In the case of parties to the North Atlantic Treaty, three such conditions are imposed. In the first place, to be eligible for assistance, the country must have requested such assistance prior to the effective date of the law. Secondly, \$900 million of

the \$1 billion in funds and contract authority made available for assistance in the North Atlantic area can only be utilized after I approve recommendations for an integrated defense of the North Atlantic area made by the Council and the Defense Committee established under the North Atlantic Treaty. Finally, as a condition precedent to the furnishing of assistance to any country, the recipient must have entered into an agreement with the United States embodying certain commitments concerning its use.

Prior to the effective date of the law, the Department of State received requests for military assistance from the following North Atlantic Treaty countries: Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom.

The North Atlantic Defense Committee, at its meeting in Paris on December 1, 1949, agreed unanimously on recommendations made by the Military Committee for the integrated defense of the North Atlantic area, and the North Atlantic Council unanimously approved these recommendations on January 6, 1950. Subsequently, the Secretary of State and the Secretary of Defense recommended that I approve them.

I have today approved these recommendations as satisfying the pertinent provisions of the Mutual Defense Assistance Act of 1949.

I have approved them because I am satisfied that they provide for the accomplishment of an integrated defense of the North Atlantic area. They do this by providing for a common defense based on the cooperative use of national military resources and

on individual national specialization. They contain agreement that these resources, including United States military assistance, will be used with maximum efficiency and will not be used to develop separate and unrelated defenses.

The North Atlantic Treaty is, in itself, a deterrent to aggression. I believe that these recommendations which have been agreed to by the governments of the North Atlantic Treaty nations constitute a major achievement under the treaty. They provide further convincing evidence of the determination of these nations to resist aggression against any of them and are a definite indication of the genuine spirit of cooperation among the treaty members.

The Mutual Defense Assistance Act of 1949 also provided that the United States should conclude agreements with the countries which request, and are to receive, military assistance. Such agreements are being signed today by the Secretary of State and representatives of Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom. Their texts will be made public and they will be

registered with the United Nations.

In view of these significant developments, I have today also made formal provision for the administration of the Mutual Defense Assistance Act by issuing an Executive order authorizing the Secretary of State to proceed with the program in consultation with the Secretary of Defense and the Administrator for Economic Cooperation.

These developments are the result of close cooperation among free nations which intend to remain free. They are, of course, first steps. The successful implementation of the North Atlantic Treaty will require constant and continuing effort and cooperation by all its members. Planning for defense cannot be static. It must be constantly reviewed and revised in the light of changing circumstances and it must be flexible to allow for maximum coordination of effort at all times.

NOTE: The President referred to Executive Order 10099 "Providing for the Administration of the Mutual Defense Assistance Act of 1949" (Jan. 27, 1950; 3 CFR, 1949-1953 Comp., p. 295).

The Mutual Defense Assistance Act of 1949 was approved on October 6, 1949 (63 Stat. 714). For the President's statement upon signing the act see 1949 volume, this series, Item 225.

23 The President's News Conference of *January 27, 1950*

THE PRESIDENT. [1.] Well, Mr. Clifford will quit as Special Counsel to the President on Tuesday night at midnight. And Mr. Murphy will be sworn in the next morning, the 1st of February. There will be an exchange of letters available for you when you go out, all mimeographed.

That's the only announcement I have to make.

[2.] Q. Mr. President, regardless of the outcome in the upper courts, will you or will

you not turn your back on Alger Hiss? ¹

THE PRESIDENT. No comment.

Q. Mr. President—

THE PRESIDENT. That's a nice question! What's that?

¹ On January 25, 1950, Alger Hiss, former State Department official, was sentenced by a United States District Court to 5 years in a Federal penitentiary for perjury. According to the New York Times, Secretary of State Dean Acheson told reporters at his news conference on January 25, "I do not intend to turn my back on Alger Hiss."

[3.] Q. Do you favor reducing the 25 percent excise tax placed on cameras and photographic equipment, which kept people from buying them during the war?

THE PRESIDENT. What's that? Didn't you read my message on excise taxes? ²

Q. It is not mentioned.

THE PRESIDENT. You had better read that message over again and your question will be answered.

Q. It was not mentioned in there, sir.

THE PRESIDENT. Well, read the message over again. Read it—

[4.] Q. Mr. President, is there any point in asking any other Alger Hiss questions?

THE PRESIDENT. No, there is no point in asking any other Alger Hiss questions.

Q. I was trying to get away from that—

THE PRESIDENT. They are not asked with good intent, and I don't intend to answer with good intent. [*Laughter*]

Q. Does that go for "red herring" questions?

THE PRESIDENT. No questions on that, either.

Q. Do you approve Secretary Acheson's statement?

THE PRESIDENT. No comment.

[5.] Q. Mr. President, have Mike Kinney and Barney Dickman been in to see you? ³

THE PRESIDENT. Mike Kinney is sitting right here now. I saw Barney Dickman yesterday.

Q. Did they talk about the Allison candidacy? ⁴

THE PRESIDENT. Well, they probably will, when they get around to it, because that is what they always come to see me about.

Q. There is a story printed in St. Louis that you are rather angry with Governor

Forrest Smith, and attribute the present political agitation in the State against the Allison candidacy—

THE PRESIDENT. No. No word of truth in that at all. I had a telephone conversation with the Governor just the day before yesterday, and we are on the friendliest of terms.

Q. Was it on the Allison matter?

THE PRESIDENT. No, it was on another matter.

[6.] Q. Mr. President, have you any comment on a speech made in New York City last night by Senator Byrd,⁵ in which he charged that the administration is leading the country to socialism?

THE PRESIDENT. That's a funny one, sure enough.

[7.] Q. Mr. President, do you plan any action in the coal case?

THE PRESIDENT. No comment.

[8.] Q. Mr. President, there has been some considerable discussion recently—last week—of a possible compromise on FEPC along voluntary lines. Would you entertain such an idea of compromise—

THE PRESIDENT. My ideas on FEPC have been very clearly set out, and I would advise you to read that message.⁶

[9.] Q. Mr. President, what are you planning to do about Representative Patman's request that you impose a quota on oil imports? ⁷

THE PRESIDENT. The Congressman was in

⁵The text of the address delivered by Senator Harry Flood Byrd of Virginia before the National Industrial Conference Board in New York City on January 26 is printed in the Congressional Record (vol. 96, p. A812).

⁶See 1948 volume, this series, Item 20.

⁷Representative Wright Patman of Texas, Chairman of the House Small Business Committee, met with the President at the White House on January 26. At that time Congressman Patman gave the President a report from the Committee calling for quota restrictions to be imposed on foreign oil imports, contending that they were damaging the domestic oil industry.

²See Item 18.

³Michael Kinney, Missouri State Senator, and Barnard F. Dickman, Postmaster for St. Louis, Mo.

⁴See Item 3 [8].

to see me, and discussed the matter. We are working on the situation.

[10.] Q. Mr. President, we have reports from one newspaper that Ambassador Douglas is very ill and will not be continued in the Ambassadorship even if he recovers—

THE PRESIDENT. I can scotch that one just as easy as pie. The Ambassador is recovering rapidly, and he will be back in England inside the next 60 days.

[11.] Q. Mr. President, Ambassador Capus Waynick says he talked North Carolina politics with you the other day. I wonder if you would like to see him in the Senate?

THE PRESIDENT. I told you once that I was not interested in dabbling in the primaries of any other State outside of Missouri. That is a North Carolina matter which they will have to settle themselves.

[12.] Q. Mr. President, when Justice Roberts' Atlantic Union group came in to see you,⁸ did you endorse that group as opposed to any other group seeking generally the same objectives?

THE PRESIDENT. No.

Q. You had no endorsement—

THE PRESIDENT. No.

Q. He said so, but there has been some question—

THE PRESIDENT. The Judge and his group were in here, and as usual we had a very pleasant visit together, and I thanked them for making a contribution toward helping the United Nations work more efficiently.

[13.] Q. Mr. President, have you any comment on the suggested compromise by

⁸ On January 20, former Supreme Court Justice Owen J. Roberts, president of the Atlantic Union Committee, headed a delegation of the Committee which called on the President at the White House. Their purpose in seeing the President was to urge him to support the proposed convocation of a Federal convention of the democracies signatory to the North Atlantic Pact to explore the possibility of union between them.

Senator Russell on civil rights?⁹

THE PRESIDENT. I don't know anything about that compromise. My compromise is in my civil rights message.

[14.] Q. Mr. President, in the last 2 days one House member of the Joint Congressional Atomic Energy Committee, and today one elder statesman, have spoken out publicly on the question of a super bomb. There have also been many columns written on the subject. Is there anything authoritative that you could give the American people on the subject?

THE PRESIDENT. No, there isn't, and I don't think anybody else has had anything authoritative. I make that decision and nobody else.

Q. Is there anything you could tell us as to when the decision might be made?¹⁰

THE PRESIDENT. No, there is not.

[15.] Q. Mr. President, is Mr. Lilienthal's successor chosen yet? He told us this morning that there was no change in his plans to leave on the 15th of February.

THE PRESIDENT. His successor has not been chosen. Whenever I get to the point where I can announce it, you will have it right away.

Q. Mr. President, is another member of the Commission resigning?

THE PRESIDENT. Not that I know of.¹¹

⁹ On January 25, several southern Democratic congressional leaders met to plan their strategy in dealing with the civil rights bill. After the meeting the New York Times reported that a compromise might be proposed containing the following provisions: that the FEPC program be put on a voluntary basis, that the antilynching legislation require proof by the Government that in such mob action there had been collusion between the mob and the law officers, and that the poll tax be repealed only by a constitutional amendment.

¹⁰ See Item 26.

¹¹ On February 7, 1950, the White House released the text of the President's letter accepting the resignation of Lewis L. Strauss as a member of the Atomic Energy Commission. The text of Mr. Strauss' letter was released with the President's reply. The resignation became effective April 15, 1950.

[16.] Q. Mr. President, Mr. Boyd, head of the Bureau of Mines, has said that there was or would be, possibly soon, a nationwide emergency in coal. Have you received that report yet? ¹²

THE PRESIDENT. Yes, I have received the report, and read it very carefully.

Q. Are you going to do anything about it?

THE PRESIDENT. No comment.

[17.] Q. Mr. President, are we likely to try again for an international control agreement on atomic weapons on the basis of the hydrogen bomb, in the United Nations?

THE PRESIDENT. I can't comment on that. I am doing everything I possibly can to get the international control of atomic energy. I have been working at it ever since I became President.

[18.] Q. Mr. President, have you any

¹² The report was in the form of a letter from James Boyd, Director of the Bureau of Mines, to Oscar L. Chapman, Secretary of the Interior. The letter, dated January 20, 1950, stated that there were 40 million tons of coal on hand on January 1 and that the danger point of 25 days of overall supply in the hands of consumers was rapidly approaching.

The report concluded that "if it had not been for the two 2-day weeks during the holidays and the wildcat strikes during the past 3 weeks, it is estimated that an additional 9 to 10 million tons would have been available. The tonnage might well have been the balancing point that would have kept days supply above the danger point."

comment on what Mr. McCloy calls the creeping blockade of Berlin? ¹³

THE PRESIDENT. No comment.

[19.] Q. Mr. President, does your answer on those two civil rights questions mean that you would not entertain a compromise?

THE PRESIDENT. I suggest that you read my message, and that sets out exactly what I want in civil rights. That's all the comment I expect to make on it.

[20.] Q. Mr. President, how soon do you feel you will be able to announce the new member for the National Labor Relations Board?

THE PRESIDENT. I can't tell you. I am taking plenty of time on that, because I am going to get the man I want before I make the appointment.

Q. Mr. President, is Mr. Styles the man?

THE PRESIDENT. No.¹⁴

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and fourteenth news conference was held in his office at the White House at 4:05 p.m. on Friday, January 27, 1950.

¹³ On January 22 the Russian border guards at the checkpoint at Helmstedt, Germany, began requiring that all allied vehicles obtain clearances before proceeding on the Autobahn connecting Berlin and the western zones of Germany.

¹⁴ See Item 29 [1].

24 Letter Accepting Resignation of Clark M. Clifford as Special Counsel to the President. *January 27, 1950*

Dear Clark:

I have now to take a step which from the bottom of my heart I wish could be indefinitely deferred. In acquiescing in your wishes I am moved by circumstances with which I have long been familiar. Reluctantly, therefore, and with deep regret I accept, effective at the close of business on next Tuesday, January thirty-first, the resignation

which you tender in your letter of January twenty-sixth.

It would be difficult to overstate the value of the services which you have rendered your country. Before you undertook your arduous tasks at the White House four years ago you had met your war obligation by over two years of service in the Navy.

Through six years of public service—and

those potentially among the most fruitful of your professional life—you have devoted your talents and superb abilities exclusively to your country's welfare. That is a long time for you to be away from the practice of the law. The urgency of your need to return is readily understood.

For all that you have given we owe you a debt impossible to pay. You had much to contribute as Special Counsel to the President because you brought to your work such great resources of legal learning and experience as a practicing lawyer. Besides this you had foresight and courage. Your reports on the various problems on which I asked for your advice were models of lucidity and logic. In the marshaling and presentation of facts your method reflected your days before the jury. Quick in the detection of spurious

evidence and alert always in detecting the fallacious in the arguments of our opponents, your final opinions were always models of brevity and accuracy, as well as clarity and strength.

I shall miss you—we shall all miss you. My regret at your departure is tempered by the knowledge that you are to remain in Washington and the assurance that I can call upon you as occasion requires. In going you carry with you every assurance of my personal gratitude and appreciation. You have also earned the thanks of the Nation which you have served so selflessly.

Sincerely,

HARRY S. TRUMAN

NOTE: Mr. Clifford served as Special Counsel to the President from July 1, 1946, through January 31, 1950. His letter of resignation, dated January 26, was released with the President's reply.

25 Letter to the President of the Senate and to the Speaker of the House on U.S. Assistance to Palestine Refugees.

January 30, 1950

Dear Mr. ———:

I am transmitting herewith for the consideration of the Congress a draft of proposed legislation to enable the United States to participate in and contribute to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. This Agency has been established by the General Assembly of the United Nations to deal with the problems created by the displacement of hundreds of thousands of persons as a result of the recent hostilities in Palestine.

The work of the Agency will be to carry out the recommendations of the Economic Survey Mission for the Middle East, appointed by the United Nations. This Survey Mission, under the Chairmanship of Gordon Clapp, was directed by the United Nations to study the economic dislocation created by the conflict in Palestine and to recommend

measures to reintegrate the Palestine refugees into the economic life of the area. Its recommendations are an example of the kind of development and planning which is essential to the economic growth and improvement of underdeveloped areas. The Mission, in this survey, has taken into account the human and natural resources of the region in which these refugees find themselves, and has recommended a program of economic activity which will be of lasting benefit to these areas and to the standard of living of peoples who live there.

Our aid is needed to put this program into effect and to help the Refugees and the inhabitants of these areas in the Middle East to achieve greater productivity through the steps recommended in the report of the Mission.

In my inaugural address, I stressed the

importance, in the interests of our foreign policy, of economic development of underdeveloped areas. In such a case as this, where relief for refugees is essential, it is advantageous to combine the relief program, with the beginnings of longer range economic development.

Point Four legislation and legislation for the United Nations Relief and Works Agency for Palestine Refugees are complementary. There is no overlapping in the request for funds for the two programs.

The immediate reason for the establishment by the United Nations of the Economic Survey Mission to the Middle East was the hope that through an economic approach it might be possible to facilitate a peace settlement between Israel and the neighboring Arab states. The problems of Palestine and her neighbors are complicated by the continuing plight of over three-quarters of a million persons who left their homes during the conflict in Palestine, and are now refugees in the neighboring lands. Homeless and without work, these people cannot care for themselves. The nations now giving them asylum are themselves unable to care for them. For some time to come they will remain dependent on others for their support.

In response to an appeal from the General Assembly of the United Nations for relief funds, made in December 1948, I recommended to the Congress that the United States should bear up to one-half of the cost of a relief program which was estimated to cost \$32 million for a nine month period. The Congress appropriated \$16 million for this purpose. Our contribution has been more than equalled by the contributions of 32 other countries. The fund thus raised has been stretched to its limits and is now exhausted.

The United Nations Economic Survey Mission has recommended a combined relief

and public works program, and has estimated the cost of this program at \$54,900,000 for an eighteen month period beginning January 1, 1950.

This program is significant in its practical approach to our objective of economic development in underdeveloped areas. The areas in question have unrealized economic potentialities but require technical assistance from abroad to assure their development. The projects proposed will be complete in themselves, representing intensive development in small areas, and have been so selected that they can be brought to completion by the middle of 1951. They will result in lasting economic benefits.

In illustrating what can be done with limited resources of soil and water by the application of modern engineering and agricultural techniques, these projects should point the way to further development not only in the countries where they are carried out, but in neighboring countries as well. The successful completion of this program should go far in furthering conditions of political and economic stability in the Near East. At the same time the proposed program, while costing little more than direct relief, looks to the end of the direct relief program of the United Nations in the Near East, and to ultimate solution of the refugee problem.

I believe that it is appropriate that the United States should continue to bear one-half the cost of this program. I, therefore, recommend that the Congress authorize and appropriate \$27,450,000 for an eighteen month period. I trust that other nations which have contributed to the program in the past will be equally generous in the future.

The importance of a substantial United States contribution to this program is very real. Not only is it consistent with the humanitarian spirit of the American people;

it is also in our national interest to help maintain peaceful and stable conditions in the Near East.

It is with these considerations in mind that I recommend to the Congress the early enactment of legislation to enable the United States to take its part in this program of the United Nations.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn,

Speaker of the House of Representatives.

On June 5, 1950, the President approved the Foreign Economic Assistance Act of 1950 (64 Stat. 198). Title III of the act is entitled "United Nations Palestine Refugee Aid Act of 1950." Under section 302 the Secretary of State was authorized "to make contributions from time to time before July 1, 1951, to the United Nations for the 'United Nations Relief and Works Agency for Palestine Refugees in the Near East,' established under the resolution of the General Assembly of the United Nations of December 8, 1949, in amounts not exceeding in the aggregate \$27,450,000 for the purposes set forth in this title." For the statement by the President upon signing the Foreign Economic Assistance Act, see Item 154.

26 Statement by the President on the Hydrogen Bomb.

January 31, 1950

IT IS part of my responsibility as Commander in Chief of the Armed Forces to see to it that our country is able to defend itself against any possible aggressor. Accordingly, I have directed the Atomic Energy Commission to continue its work on all forms of atomic weapons, including the so-called hydrogen or superbomb. Like all other work in the field of atomic weapons, it is

being and will be carried forward on a basis consistent with the overall objectives of our program for peace and security.

This we shall continue to do until a satisfactory plan for international control of atomic energy is achieved. We shall also continue to examine all those factors that affect our program for peace and this country's security.

27 Telegram to Labor and Management Leaders Proposing a Plan for Settling the Coal Industry Dispute. *January 31, 1950*

SINCE June of 1949 work has been performed by the members of the United Mine Workers of America, and bituminous coal mines have been operated by their owners and operators, only intermittently and without the stabilizing advantages of a labor contract. Many months of bargaining by the representatives of the parties and the efforts of mediation officers of the Government have failed to produce a settlement of their dispute. That dispute visits severe hardship upon the miners and their families

and severe economic loss upon those who have invested in bituminous coal mines. The continuous production of an adequate supply of bituminous coal is essential to the economic stability, progress and security of this Nation. Continuing stoppages, restrictions in production and shortages which result from the inability of the parties to settle their dispute are of grave concern to the people of the Nation.

The law places the responsibility for settling management-labor disputes on the

parties, not the Federal Government. The Government can give them mediation assistance; but in the final analysis the parties themselves must write their own collective bargaining agreement. Voluntary action, not compulsion, in these matters is not only my personal conviction but the national policy. The Government can no longer stand by, however, and permit the continuance of conditions which have now come to have such a serious effect upon the public interest. Accordingly, I am making the following proposal to the representatives of the parties:

(a) That work be performed and normal production maintained for a period of 70 days beginning February 6 under the terms and conditions last agreed upon by the Union and the employers, excepting as such terms and conditions may be modified by agreement of the parties or by law.

(b) That representatives of the parties appear before and cooperate with a Fact-Finding Board which I shall appoint. This Board would consist of three citizens representing the public, none of them from Government, Industry or Labor. It would be empowered to inquire into any and all facts and circumstances relating to the current dispute. The Board would be requested to make its report, including findings and recommendations, within 60 days after February 6. The recommendations would be addressed to the parties and to the President, outlining the procedures and the grounds for a fair and equitable settlement of the current dispute. Immediately after the publication of the Board's report, representatives of the parties would be called into conference by the Director of the Federal Mediation and Conciliation Service, who would seek to assist

them in resolving their dispute in light of the recommendations or any modification thereof which might be suggested by the parties. The parties or either of them would be free to accept or reject the recommendations of the Board as they see fit.

In making this proposal, I do not wish to interfere with any bargaining conferences that may assist in the settlement of this dispute. I would appreciate your informing me by 12 noon, Saturday, February 4, 1950, if the normal production of coal will be resumed on Monday, February 6, 1950, without reference to this proposal. If production will be so resumed this proposal may be disregarded. If you cannot inform me that normal production will be resumed on Monday without reference to this proposal, I would then want your reply to this proposal by 5 p.m. Saturday, February 4, and I urge your acceptance in the National interest.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams addressed to the following persons: George H. Love, operators' spokesman for the National Bituminous Wage Conference, and president of the Pittsburgh Consolidation Co.; John L. Lewis, president, United Mine Workers of America; Harry M. Moses, president, H. C. Frick Coal Co.; and Joseph E. Moody, president, Southern Coal Producers Association.

On February 6, 1950, the President signed Executive Order 10106 "Creating a Board of Inquiry to Report on a Labor Dispute Affecting the Bituminous Coal Industry of the United States" (3 CFR, 1949-1953 Comp., p. 300). The order was issued pursuant to section 206 of the Labor Management Relations Act, 1947 (Taft-Hartley Act).

On the same day the President appointed the following persons as members of the Board: W. Willard Wirtz, John T. Dunlop, and David L. Cole, chairman. The Board's report, entitled "Report to the President: The Labor Dispute in the Bituminous Coal Industry," was submitted to the President on February 11, 1950 (Government Printing Office: 1950, 8 pp.).

See also Items 35, 49, and 50.

[28] Feb. 1

Public Papers of the Presidents

28 Letter to the Speaker on the Panama Canal and the
Panama Railroad Company. *February 1, 1950*

[Released February 1, 1950. Dated January 31, 1950]

Dear Mr. Speaker:

I am transmitting herewith the report and recommendations of the Bureau of the Budget with respect to the organization and operations of the Panama Canal and Panama Railroad Company. The report was prepared pursuant to House Report No. 1304, 81st Congress, 1st Session.

The recommendations of the Bureau of the Budget have my approval except the recommendation with respect to the transfer of supervision of the Panama Canal from the Secretary of the Army to the Secretary of Commerce. I desire to give further study to that recommendation, particularly in connection with plans to carry out the proposals of the Commission on Organization of the Executive Branch of the Government which are now under consideration.

As preliminary steps to facilitate the recommended reorganization of the Panama Canal and the Panama Railroad Company I have today issued two executive orders. The first delegates to the Governor of the Panama Canal authority to determine the internal organization of the Panama Canal. The second order transfers certain business operations from the Panama Canal to the Panama Railroad Company. These initial transfers will simplify and facilitate the early transfer to the Company of all business operations of the Panama Canal.

While several of the recommendations can be implemented by executive order, legislation is required to (1) authorize transfer of the Panama Canal to the Panama Railroad Company; (2) change the name of the Panama Railroad Company to Panama Canal Company; (3) authorize the Company's board of directors to establish toll rates, subject to the President's approval; (4) permit the Company to retain and utilize toll revenues; and (5) authorize appropriations to the Company to cover losses which might result from changes in economic conditions. I recommend the enactment of such legislation.

It is believed that implementation of the Bureau of the Budget's recommendations will result in a more logical grouping of functions, provide a sounder basis for determining toll rates and other charges, facilitate operations, and, in general, promote the more effective administration of the Panama Canal enterprise.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Sam Rayburn, Speaker of the House of Representatives]

NOTE: The President referred to Executive Order 10101 "Amendment of Executive Order No. 9746 of July 1, 1946, Relating to the Panama Canal" and Executive Order 10102 "Transfer of Certain Business Operations, Facilities and Appurtenances from the Panama Canal to the Panama Railroad Company" (3 CFR, 1949-1953 Comp., p. 296).

29 The President's News Conference of
February 2, 1950

THE PRESIDENT. [1.] Last week there was a misunderstanding about a certain appointment. I was talking about one thing and

the question was about another.¹

Q. A little louder, please!

¹ See Item 23 [20].

THE PRESIDENT. I say last week there was a misunderstanding about a man under consideration for a certain appointment. I thought the question was in regard to one initial organization and it was in regard to another.

I will clear that up this morning by announcing the appointment of Paul L. Styles to the National Labor Relations Board, to take the place of Mr. Gray.

That's all the announcements I have to make.

[2.] Q. Mr. President, do you have any plans for giving the FEPC bill a boost through the House by speaking to the Speaker and asking him to recognize Chairman Lesinski? ²

THE PRESIDENT. You should be at the Big Four ³ meetings every Monday morning. You would hear that we discuss it nearly every Monday morning.

Q. How do you get in to the Big Four? [*Laughter*]

THE PRESIDENT. You have to have a special dispensation.

[3.] Q. Mr. President, yesterday you issued an Executive order on the dissemination of information, and in it, in the last paragraph, you include military documents and reports which have been marked "Confidential" and "Restricted"—also "Top Secret" and "Secret," etc. That classification "Restricted" is one of the most general I have ever seen.

THE PRESIDENT. It is exactly a copy of the order that has been in effect all the time, and the only reason that order was issued was that it conform with the new Defense

Act. There isn't any difference with this order and the one that has been in effect ⁴—

Q. The point was—

THE PRESIDENT. —that the order conform with the new law on the Defense Act. Unification—it's an order to conform with the Unification Act. That's all there is to it. That order has been in effect ever since I have been President.

Q. Is there any way to get a definition of "Restricted," so that the Army officers would know what it means? In some places it refers to clippings.

THE PRESIDENT. I can't answer the question. You will have to talk to somebody that uses "Restricted." I don't use it. [*Laughter*]

Q. Well, every office boy seems to stamp "Restricted" or "Confidential," and I have seen many "Confidential" and "Restricted" documents which had no reason whatever to be—

THE PRESIDENT. You never saw one come out with *my* signature on it. [*Laughter*] You talk to them, now. That's their business not mine. Those "Restricted" documents are mostly military.

[4.] Q. Mr. President, has Governor Forrest Smith ⁵ been in to see you in the last few days, or do you expect to see him soon?

THE PRESIDENT. Yes, I expect to see him about the 16th of February.

[5.] Q. Well, Mr. President, returning to this Executive order a moment, would you interpret it for us?

THE PRESIDENT. No, I won't try to interpret it for you—and that's final, and I don't

² Representative John Lesinski of Michigan, Chairman of the House Committee on Education and Labor.

³ Alben Barkley, Vice President of the United States; Sam Rayburn, Speaker of the House of Representatives; Scott W. Lucas, Senate Majority Leader; and John W. McCormack, Majority Floor Leader in the House of Representatives.

⁴ Executive Order 10104 "Defining Certain Vital Military and Naval Installations and Equipment as Requiring Protection Against the General Dissemination of Information Relative Thereto" (3 CFR, 1949-1953 Comp., p. 298). The order superseded Executive Order 8381 of March 22, 1940 (3 CFR, Cum. Supp., p. 634).

⁵ Of Missouri.

intend to comment on it further. That order speaks for itself. You can put your own interpretation on it.

Q. Mr. President, I have seen a picture of the North Pole taken from an airplane marked "Restricted." [Laughter]

Q. What?

Q. The North Pole—North Pole.

THE PRESIDENT. A picture of the North Pole marked "Restricted." I can't comment on that, though. Take it up with the Attorney General or the military which is responsible.

Q. There is pretty much confusion about what we can write and what we can't.

THE PRESIDENT. I am sorry about that. Since I have been President—

[6.] Q. Mr. President, do you have any comment on the refloating of the battleship *Missouri*?

THE PRESIDENT. No comment.⁶

[7.] Q. Mr. President, do you have any comment on the present crisis relating to the surplus of potatoes?

THE PRESIDENT. I think the lady from Maine ought to know more about potatoes than anybody in the United States. She ought to understand that this farm act which was amended last year puts us in the position to place those potatoes in the condition in which they are. And that whole thing is a sectional thing, and for the benefit of the potato growers of Maine as well as the other potato growers in the United States; but that is how it came about. I suggest you talk to Senator Brewster about it.

Q. Half the surplus, I understand, is scattered all over the country.

THE PRESIDENT. Yes, and the other half is in Maine—25 million bushels are in Maine.

⁶On January 17 the U.S.S. *Missouri*, the only active battleship in the United States fleet, ran aground in the Chesapeake Bay near Thimble Shoal Light. The mishap occurred at the start of a routine training cruise to Guantanamo, Cuba. The ship was refloated on February 1.

Q. That's right.

[8.] Q. Mr. President, would the Chief of Naval Operations have the authority to decide whether the *Missouri* should be replaced by an airplane carrier, or would that be entirely up to you?

THE PRESIDENT. That is a matter that probably would be discussed with me before it was done. The Secretary of the Navy has the right to make that order, if he so chooses.

[9.] Q. Mr. President, did you talk to Mr. Maury Maverick⁷ about any matters down in Texas?

THE PRESIDENT. No, I don't think we did. I discussed a lot of things historically with Maury Maverick. He brought me in three very interesting books. One about White House furniture. One on army regulations of 1835—which is most interesting—I am going to send that to West Point for their Library.

And I forget what the other one is—Oh, I know—it is a book by a gentleman named Major General Truman. [Laughter] He made the first Truman report to the United States President of 1869. And it was on the reconstruction of the South. And while I was in the Senate, when I got out my first report as chairman of that Committee, Mr. Halsey who was then the Secretary of the Senate, hunted up this old Truman report. It is most interesting.

Q. Mr. President, was that top secret then?

THE PRESIDENT. Not that I know of.

[10.] Q. Mr. President, will the battleship *Missouri* be taken out of service?

THE PRESIDENT. I can't answer the question.

[11.] Q. Mr. President, Senator Vandenberg yesterday said that he wished that you would follow up your directive on the superbomb with a formal notification to the United Nations, first, that you have ordered work to proceed on it; second, that the

⁷Former Representative Maury Maverick of San Antonio, Tex.

United States stands ready to suspend the project at the moment Soviet Russia permits adequate international control.

THE PRESIDENT. I have no comment on Senator Vandenberg's statement, but for your information we have urged constantly that international control be accepted by all the nations of the world. Hardly a week goes by that that matter is not brought up, at my suggestion, in the United Nations.

[12.] Q. Mr. President, in your first answer on FEPC do you mean that you have asked the Speaker to recognize—

THE PRESIDENT. Why certainly I have. I talk to him about it every Monday morning.

Q. You have asked him to recognize Lesinski?

THE PRESIDENT. No, I didn't ask him to recognize anybody. I asked him to consider the passage of FEPC in both Houses. I didn't ask him to recognize anybody. That's the business of the Speaker. He has been in charge of that, and nobody can tell him whom to recognize.

[13.] Q. Mr. President, I have a pro forma thing, if nothing else. Do you think notification to the United Nations of the new superbomb project is necessary or advisable?

THE PRESIDENT. I don't think it's necessary or advisable.

Q. Mr. President, do you plan to do anything to use the new superbomb as a basis to make any new move for international control?

THE PRESIDENT. I covered that in the statement that was made the other day, which covers it completely.⁸

[14.] Q. Mr. President, do you have any comment on Russia's demand that Hirohito be tried?

THE PRESIDENT. I was informed just now by the Secretary of State that a 20-page statement, in Russian, was delivered to the Secre-

tary of State. The Secretary of State can't read Russian, so until it is translated, we can make no comment on it.⁹

[15.] Q. Mr. President, yesterday Governor Duff of Pennsylvania and five other Governors urged that the Republican Party should be an organization that is broad and not exclusive, a party of service and not of privilege, a party that is hard-hitting and not timid, a party that is progressive and not backsliding, a party that is constructive and not petty.

THE PRESIDENT. I would suggest that the Governor of Pennsylvania join the Democratic Party. That's—[*Laughter*]

Q. Could we have the text of that question?

THE PRESIDENT. He wanted the text of your question.

THE PRESIDENT. Jack will give it to you.

Mr. Romagna [*reading*]: "That the Republican Party should be an organization that is broad and not exclusive—"

Q. Mr. President, maybe I'd better read it from this: "That the Republican Party should be an organization that is broad and not exclusive, a party of service and not of privilege, a party that is hard-hitting and not timid, a party that is progressive and not backsliding, a party that is constructive and not petty."

THE PRESIDENT. And I invited the Governor to join the Democratic Party. We already have that sort of party. [*Laughter*]

Q. Mr. President, do you think the Governor—

Q. Mr. President, can we—

THE PRESIDENT. Wait a minute—I promised to answer him—I promised to answer his question.

⁹For the text of a State Department release of February 3 questioning the motives of the Soviet Union on their request that the Emperor of Japan be tried, see the Department of State Bulletin (vol. 22, p. 244).

⁸Item 26.

Q. Do you think the Governor has done a good job describing the Democratic Party?

THE PRESIDENT. The Democratic Party is the sort of party he describes.

Now what was that question back there?

Q. Can we put quotes around your reply to that question?

THE PRESIDENT. I have no objection to that.

[16.] Q. Mr. President, some days ago Mr. Stowe was quoted as saying that he had intervened in behalf of the Lustron Corporation with RFC, on the ground that the national defense angle should be considered.¹⁰ Would you comment on that, sir?

THE PRESIDENT. I have no comment.

[17.] Q. Mr. President, have you chosen a successor to David E. Lilienthal yet?

THE PRESIDENT. No, I have not. I will announce it to you just as soon as I am ready to appoint the man.

[18.] Q. Mr. President, do you like the new proposed amendment to revise the electoral system?¹¹

¹⁰ The Reconstruction Finance Corporation had ordered the Lustron Corporation, a manufacturer of prefabricated housing, to submit a plan for putting its financial affairs in order. The New York Times reported that on January 5 the Lustron Corporation filed a reorganization plan with the RFC seeking to head off Federal foreclosure action on \$22 million worth of overdue loans.

¹¹ On January 5, 1949, Senator Henry Cabot Lodge, Jr., of Massachusetts, and 11 other Senators introduced S.J. Res. 2, proposing an amendment to the Constitution changing the method of electing the President and Vice President. Under the proposed amendment all presidential candidates would share the electoral votes of each State in proportion to the number of popular votes that they had received. The candidate receiving the most electoral votes, providing that he had obtained more than 40 percent of the total, would be elected. If none of the candidates received 40 percent of the electoral votes, the House and Senate jointly would elect a President and a Vice President from among the two top candidates for each office.

S. J. Res. 2 was passed by the Senate on February 1, 1950. On July 17, 1950, the House voted 134-210 against bringing the bill to the floor, and the proposed amendment expired with the 81st Congress.

THE PRESIDENT. Well, I ordinarily don't comment on any legislation that is pending, but you know a constitutional amendment is not a matter that the President passes on, it is passed by two-thirds vote of both Houses. And then it is sent to be ratified by three-fourths of the States.

I think that this resolution that was passed by the Senate yesterday is a forward step. I was very much interested in it. I have read all the records and all the hearings on it; and I made some suggestions myself on the thing, most of which were adopted. And I believe it would be a step in the right direction if the States choose to ratify the constitutional amendment. It takes 36 States to ratify an amendment.

But I would advise you to read the hearings on that, they are most interesting. You will find more about elections and presidential history that you never heard of before, if you haven't read it.

[19.] Q. Mr. President, in the proposition to the coal operators and John L. Lewis,¹² you ask for a return to normal production. Would you care to say whether that requires a 5-day week, or less?

THE PRESIDENT. I asked for normal production under the reinstatement of contract. The contract itself sets that out.

Q. Mr. President, that means—

THE PRESIDENT. You will have to translate that yourselves. In some places they can't work a full week on account of the local situation. Now that applies all over the United States. Generally, I would say that it means a 5-day week.

Q. Are you ready to invoke the Taft-Hartley Act, if they don't?

THE PRESIDENT. Whenever there is an emergency, I will invoke the Taft-Hartley Act, as I told you before.

Q. Senator Byrd intimated that you had

¹² See Item 27.

an agreement with the labor movement not to invoke it?

THE PRESIDENT. He may know something that I don't. I have no such agreement.

[20.] Q. Mr. President, I am not trying to heckle you on this—

THE PRESIDENT. That's all right. Try your best; you can't heckle me. Go ahead. [*Laughter*]

Q. Well, in any case, sir, we are forced to rely on gossip and so-called White House circles, and things like that, to determine what caused you to reach your decision to produce the superbomb?

THE PRESIDENT. The statement that I released covers the ground so far as I expect to go with it.

Q. Do you—you wouldn't care, sir, to elaborate—I mean—

THE PRESIDENT. No. No, I have no further statement to make except the one that was released.

Q. Mr. President, Senator McMahon has indicated that he is about to make a speech asking for a nationwide public discussion of the issues raised by the superbomb. To do that, facts about it are necessary. Can we look forward to having some disclosures further than that—

THE PRESIDENT. No, you cannot look forward to anything except what was stated.

[21.] Q. Mr. President, do you plan to send up your message on the New England public power program pretty soon?

THE PRESIDENT. I don't know whether I

can get it ready in a short time, but we are working on it.¹³

[22.] Q. Mr. President, have you asked Mr. Webster to head up the Research and Development Board?

THE PRESIDENT. He is under consideration.

[23.] Q. Mr. President, have you recently given Governor Gruening of Alaska assurances of stepping up the defenses for the Territory?

THE PRESIDENT. I discussed the matter with Governor Gruening and with the Secretary of Defense, and of course that situation will be covered in the general defense program of the country.

[24.] Q. Mr. President, do you think the new electoral law will help you get re-elected in 1952? [*Laughter*]

THE PRESIDENT. For your information, that resolution is passed by a two-thirds vote by both Houses. It will not be law in 1952, you can be sure of that. [*Laughter*]

[25.] Q. Mr. President, do you plan any action on oil imports?

THE PRESIDENT. The matter is under consideration by the State Department now. I think Dean Acheson answered that yesterday in his press conference.¹⁴

Reporter: Thank you, Mr. President.

THE PRESIDENT. You are entirely welcome.

NOTE: President Truman's two hundred and fifteenth news conference was held in his office at the White House at 10:30 a.m. on Thursday, February 2, 1950.

¹³ Item 33.

¹⁴ For the statement of Secretary of State Dean Acheson at his press conference on February 1, see the Department of State Bulletin (vol. 22, p. 292).

30 Statement by the President on the Crusade Against Heart Disease. *February 2, 1950*

THE Surgeon General of the United States Public Health Service has called heart diseases, which annually kill more than 625,000 men, women, and children, our most chal-

lenging public health problem. They are the Nation's leading cause of death. Measures to cope with this threat are of immediate concern to every one of us.

Such measures are already making themselves felt. Extensive efforts are being made to control heart diseases. Nationwide programs, both governmental and voluntary, aimed at the reduction of death and disability due to cardiovascular disease, are functioning on a wide scale.

Many of our finest scientific minds, our most highly skilled physicians, our civic-minded business and professional leaders, are enlisted in this great crusade. But they cannot be expected to do the whole job by

themselves. Victory in the fight they are waging for all the people can be achieved only with the cooperation of the general public.

I, therefore, urge every citizen to learn the facts about heart diseases and the steps that are being taken to combat them. I urge every citizen, for his own sake and that of the Nation as a whole, to give wholehearted support to physicians and scientists engaged in an unceasing battle against heart diseases.

31 Remarks to a Group of Baptist Missionaries.

February 3, 1950

AS I told you, the only way we will ever arrive at peace in the world is to settle it on a moral Christian basis. And that is what I have been working on for 5 years or more. We sometimes think we are approaching a solution, and then sometimes we are not so sure. I think every one of you can make a very decided contribution.

I wish I had the time to talk with each one of you and find out what conditions actually are, as you see them on the ground, in these foreign countries. But of course you know that I do not have the time to do that, much to my regret.

But you ought to always bear in mind that this country of ours has no aggressive am-

bitions of any sort. Our interest is the peace and welfare of the people in the countries with which we are associated, and no desire on our part to take them over, either governmentally, financially, physically, or otherwise.

I know that you can make a tremendous contribution to the cause of peace by making that perfectly plain to the people with whom you associate.

Thank you very much.

NOTE: The President spoke at 3:30 p.m. in his office at the White House. The group was composed of 24 missionaries who had been serving in China, Argentina, Nigeria, Burma, Japan, the Belgian Congo, Hungary, and the United States. They were headed by the Rev. Dr. Edward H. Pruden, pastor of the First Baptist Church in Washington, the church attended by President Truman.

32 Statement by the President on Appointing Additional Members of the Committee on Religion and Welfare in the Armed Forces. *February 8, 1950*

I AM appointing two additional members of the President's Committee on Religion and Welfare in the Armed Forces. They are Mrs. George Hamlin Shaw and Mr. Francis Keppel.

Since this Committee was established in October 1948, the scope of its work has gradually increased, although its overall responsibility has remained the same. That responsibility is to further the policy of the

Government as stated in the Executive order establishing the Committee: "to encourage and promote the spiritual, moral, and recreational welfare and character guidance of persons in the Armed Forces and thereby to enhance the military preparedness and security of the Nation." With the deactivation of USO in the past month, and the continued unsettled state of world affairs, the increasing importance of this Committee's work is apparent to every thinking citizen.

Within the overall responsibility of the Committee there are three major areas of interest that encompass a broad range of specific policies and programs: (1) organized community activities on behalf of service men and women; (2) civilian attitudes toward the needs of service men and women; and (3) policies and programs of the Department of Defense affecting their religious and moral welfare.

The Committee's first annual report, which it recently submitted to me, shows that it already has accomplished much in appraising and helping to develop activities and policies within these three areas.

A program has been developed for organized services that will welcome each service man and woman into community life as a member of that community. Recommendations to the Secretary of Defense on the serious shortage of housing facilities for mar-

ried military personnel were approved and are now being put into effect. The Committee's report on "Information and Education in the Armed Forces" firmly establishes the policy to provide our military personnel with the information and education they desire and need for maximum military effectiveness.

As the Committee finishes each of its various studies, it has a continuing responsibility to maintain an active interest in each subject and to return to it should the situation require. Therefore, the scope of its work is constantly increasing and it is necessary that it have the additional assistance available from the two additional members I have appointed, and the continuing cooperation of all our citizens.

NOTE: The President's Committee on Religion and Welfare in the Armed Forces was established by Executive Order 10013 of October 27, 1948 (3 CFR, 1943-1948 Comp., p. 835). At that time the following members were appointed: Frank L. Weil, chairman, Basil O'Connor, Rev. Edmund A. Walsh, Dr. Daniel A. Poling, Truman Gibson, Mrs. Ferdinand Powell, Sr., Dorothy Enderis, Dr. Lindsley F. Kimball, and Mark A. McCloskey.

The Committee's first report, entitled "Community Responsibility to Our Peacetime Servicemen and Women," was submitted to the President on March 24, 1949 (Government Printing Office, 1949, 29 pp.). Later the Committee submitted the report "Information and Education in the Armed Forces; a Report to the President" (Government Printing Office, 1949, 59 pp.).

See also Item 95.

33 Letter to the Vice President Urging a Study of the Land and Water Resources of the New England States and New York. *February 9, 1950*

Dear Mr. Vice President:

I am informed that the Senate will shortly consider H.R. 5472, the rivers and harbors and flood control authorization bill. In addition to authorizing projects for construction, this bill will also authorize a number of

investigations and studies to be made, looking to future projects for the development and conservation of our land and water resources. Such investigations and studies should be carefully planned, so that all relevant facts will be considered, and the result-

ing information and recommendations will be of lasting value for future action, both governmental and private.

I am writing this letter to recommend that the Senate adopt an amendment to H.R. 5472 which I understand is to be offered by a group of Senators from the New England States and New York, providing for a broad-scale study of how the land and water resources of those States may be best conserved and developed for the best interests of their people and the whole Nation.

We are often inclined to think that, because those States were originally settled two hundred years and more ago, and because they led the Nation for many years in industrial and commercial development, they do not need the benefit of modern methods of resource development and conservation. Such a conception is very far from the truth. New York and the New England States have real and serious problems of soil and forest conservation and management, and of controlling and using water to prevent floods, to provide domestic and industrial water supplies, and to furnish low-cost hydroelectric power. These problems must be overcome if these States are to participate fully in the economic growth of our country.

We have gradually come to understand that, if best results are to be achieved, these problems should be considered together, and met by comprehensive planning and action which recognizes the close inter-relationship of land and water and their manifold uses. In many areas of our country coordinated plans have been worked out for multiple-purpose, integrated development of natural resources. However, these seven States have not, so far, had the benefit of such comprehensive study and planning.

Some notable individual projects have been planned, such as the St. Lawrence seaway and power project. These projects should, of course, proceed without further

delay. No additional study is needed before they are constructed. They are obviously necessary parts of any broad-scale program. But a wider scope, a broader vision, is needed if the full possibilities inherent in the resources of these States are to be realized.

In the field of hydroelectric power, for example, it is not enough to consider each project by itself. There are many undeveloped power sites in the New England States, including the Passamaquoddy project, which have been estimated to offer in the aggregate as much as 3 million kilowatts of additional capacity. The redevelopment of the power capacity of Niagara Falls, concerning which negotiations with Canada are in progress, can provide more than 1 million kilowatts of additional capacity. From Niagara on the west, through the St. Lawrence project, which will provide just under 1 million kilowatts, and on into the New England States, there is a whole range of projects which should be considered in relation to each other. These projects could all be interconnected by transmission lines. Some of them offer a steady, continuous power supply; others could provide the intermittent supply needed to meet peak loads. Much of this power could be produced at as low cost as any in the Nation.

These potentialities need to be thoroughly studied, since they offer real possibilities for increasing the present power capacity of New York and the New England States by as much as 50 per cent.

Development of this great supply of hydroelectric power, representing three or four times as much electricity as we will obtain from the St. Lawrence project alone, would clearly stimulate the broad economic development—industrial, commercial, agricultural—of those portions of the region which have for many years been lagging in all-around economic progress.

This power supply would also be a power-

ful force toward lower electric rates in New York and New England. This region now includes some of the highest electric rate areas in the country. Residential rates in the New York City and Boston metropolitan areas in recent years have been the highest of all cities over 50,000 population in the country—about one-third higher than the national average. Six of these seven States are among the ten States in the Union having the highest power rates for residential consumers. The homes, farms, and industries in these States should be enabled to share in the general downward trend of rates and upward trend of use, which have added so much to the prosperity of other regions.

These power possibilities are only one example of the questions of land and water use in the New England States and New York which should be thoroughly studied. Some of the worst cases of water pollution in the country are found on the rivers in these States. A great deal should be done to rebuild depleted soils, restore forests, and increase recreational opportunities. These and other resource questions should be studied together, and guidelines laid down which will be useful to Federal, State, and local governments and private groups in providing for the provident husbandry of the precious natural resources of these States.

I believe that a sound method for accomplishing this is provided by the proposed

amendment to H.R. 5472. The amendment would establish a study commission of seven members, including citizens from the region and representatives of the principal Federal agencies concerned. The Commission would utilize all the studies which have been made already, and would arrange for such further investigations as may be desirable. An advisory committee appointed by the Governors of the seven States would participate in the work of the Commission, and the Commission's recommendations would be submitted to the Governors for their comments before submission to the President and to the Congress. The Commission's final report would be submitted in two years, after which time it would be dissolved.

These provisions, which are similar to those already adopted by the Senate to establish a study commission for the Arkansas, Red and White River basins, should result in a great combined program for wise, permanent and economically sound development of the natural resources of these States. Such a program will be a stimulus to economic growth and prosperity not only for those States, but for the whole Nation.

Sincerely yours,

HARRY S. TRUMAN

NOTE: As enacted, H.R. 5472 does not contain the provisions requested by the President (64 Stat. 163). See also his message to the Congress upon signing the bill (Item 140, below).

34 The President's News Conference of *February 9, 1950*

THE PRESIDENT. I have no special announcements to make today. I will try my best to answer questions, if they are not too complicated.

[1.] Q. Mr. President, this matter is on a State level. Five members of Virginia's

House of Delegates are pushing a bill to abolish segregation within the State. Any comment on that, sir?

THE PRESIDENT. No. That is Virginia's business. I am glad to hear it, however.

Q. Mr. President, are you in agreement

with the brief filed by your Solicitor General today in the Supreme Court which opposes separate but equal facilities in the segregated schools in Virginia?

THE PRESIDENT. I know nothing about such a brief. I haven't seen it and I can't comment on it.

[2.] Q. Mr. President, several UMW locals in Illinois have urged you to seize the mines and put the profits in the Treasury. Have you any comment?

THE PRESIDENT. I have no such power as that.

Q. What was the answer?

THE PRESIDENT. Those are war powers.

Q. What was the answer, please?

THE PRESIDENT. I said I have no such powers. Those were war powers.

Q. You have no powers for seizure, Mr. President?

THE PRESIDENT. I don't think so. I hope not.

Q. Mr. President, there is no power to put the money in the Treasury, however, is there?

THE PRESIDENT. No. Never.

Q. Mr. President, do you know if anyone in Government is preparing a bill to take care of that power?

THE PRESIDENT. No, I know of nothing of the kind. I am not asking for any such power.

[3.] Q. Mr. President, do you favor a close balance between oil imports and exports?

THE PRESIDENT. I can't comment on that at the present time because I haven't all the information on the subject.

[4.] Q. Mr. President, are you expecting to hear from your factfinding board on coal today?

THE PRESIDENT. I am expecting to hear as soon as they are ready to report.

Q. You don't know whether it will be today?

THE PRESIDENT. I can't tell when it will be,

except they will report as soon as they are ready.¹

[5.] Q. Mr. President, have you received any recommendation from the Trade Agreements Committee regarding negotiations between the United States and Germany on textile tariffs?

THE PRESIDENT. No, I haven't.

[6.] Q. Mr. President, the Republicans say that the current issue is socialism versus liberty. Which one are you for, sir?

THE PRESIDENT. I don't understand that very well. I read with a lot of interest that Republican platform, but I think the Republicans' record speaks better for itself than any platform they can write.

[7.] Q. Mr. President, can anything be done to keep the Waltham Watch Company in business?

THE PRESIDENT. We have done everything we possibly could. Apparently they aren't going to stay in business.

[8.] Q. Mr. President, do you plan to appoint a committee to study radio and television allocations?

THE PRESIDENT. I hadn't thought about it.

Q. What was that question, sir?

THE PRESIDENT. He wanted to know if I planned to appoint a committee to study radio and television allocations. We have got a board for that purpose. I do not see any use for me to.

[9.] Q. Mr. President, is Secretary Gray coming in to resign?

THE PRESIDENT. I don't know. He is going to see me after you fellows get through. He has been trying to resign for quite a while, and I have been able to persuade him to stay, up to date.

Q. No decision on whether he is going to leave?

THE PRESIDENT. No. That is what he is coming to tell me this afternoon.²

¹ See Item 35.

² See Item 81.

[10.] Q. Mr. President, this New England power letter asks that Passamaquoddy be considered by the proposed new New England-New York Commission. What will be the relationship of that commission to the International Joint Commission which is now studying Quoddy?

THE PRESIDENT. The relationship would be simply a coordination of the whole New England power program, that's all. It would not interfere with the International Commission at all. In fact, I think it would be an asset to the International Commission.

[11.] Q. Mr. President, concerning oil imports—the question that was asked a moment ago—Mr. Patman asked you to invoke the power under the National Trade Agreements. Do you intend to submit that question to the Tariff Commission for its recommendation?

THE PRESIDENT. I can give you the answer to that question better when I have all the information in my hands, which I haven't, as yet.

[12.] Q. Mr. President, a group of scientists in New York recently spoke of forming some sort of citizens commission, created by your office, to make a complete reevaluation of our atomic policies?

THE PRESIDENT. Did you read Mr. Acheson's statement lately? ³ I will advise you to read it. That will answer your question.

[13.] Q. Mr. President, is Charles E. Luckman being considered for Chairman of the Atomic Energy Commission?

THE PRESIDENT. I am not considering anybody in particular, right at the present time. When I find the right man, I will let you know about it right away.

Q. What about Luckman in the National Security Resources Board?

³ Mr. Acheson's statement on the Soviet nuclear explosion and U.S. atomic policy is printed in the Department of State Bulletin (vol. 21, p. 487).

THE PRESIDENT. I am not considering Mr. Luckman for any job whatever. He is doing the job that he is doing right now: selling tickets to the Democratic dinner.⁴ [*Laughter*]

Q. Well, if he does good, might he be considered?

THE PRESIDENT. He has done excellent. He has done an excellent job of it.

Q. Didn't hear your reply, Mr. President.

THE PRESIDENT. I said he has done an excellent job in the job he is in. Every time I have asked him to do anything for me, he has done an excellent job.

[14.] Q. Mr. President, do you agree with Senator McMahon that this is a time for soul-searching, nationwide debate on the question posed by the hydrogen bomb?

THE PRESIDENT. Did you read Secretary Acheson's statement yesterday? ⁵

Q. Yes, sir.

THE PRESIDENT. I would advise you to read it—

Q. He seems not to think so.

THE PRESIDENT. —because that covers the ground. The Secretary and I are in complete agreement.

Q. He spoke for you?

THE PRESIDENT. He discussed the matter with me. He spoke for the State Department, which is supposed to represent my policy on foreign policy.

[15.] Q. Mr. President, the President of the Philippines ⁶ indicated that—after seeing you this week—that he would welcome a mission to go out there to study economic conditions for recovery and rehabilitation?

THE PRESIDENT. We discussed that.

⁴ Charles E. Luckman was chairman of the 1950 National Jefferson-Jackson Day Committee.

⁵ For Secretary Acheson's statement at his press conference on February 8, see the Department of State Bulletin (vol. 22, p. 272).

⁶ Elpidio Quirino of the Republic of the Philippines. President Quirino had been in the United States for medical treatment.

Q. Would you favor sending such a commission?

THE PRESIDENT. I have it under consideration.

[16.] Q. Mr. President, getting back to Dean Acheson, in other words, you are in hearty approval of the Secretary's statement yesterday?

THE PRESIDENT. Yes, I am very much in approval of what he had to say. We discussed it for quite a while before he made the statement. And if you will go back and read a little history, you will find that that program has been a continuing one ever since we first made the request through the United Nations to control atomic energy and armaments of all kinds.

Our position hasn't changed a bit. It has been just exactly that all along. We have been reiterating it. I have said it over and over and over, I think a hundred times, right here in this conference, and there isn't any use getting all steamed up on the subject, because we are continuing all the time every effort we possibly can to create a peaceful situation in the world. And if we could get just one little bit of cooperation from the Soviet Government, we could get the job done.

[17.] Q. Mr. President, getting back to a local war, did you know that California and Arizona are at daggers point over the Colorado River water?

THE PRESIDENT. Well——

Q. The California delegates tell me you recommended to the Chief of Engineers that a survey be made to find an extra million feet of water which both States could share. Do you have any idea where it will come from?

THE PRESIDENT. No. I am having the water commission⁷ make a complete survey of the water situation in the United States. You know, New York is just as much inter-

ested in the subject as California is, and so is Baltimore, and so is Houston, Tex., and a half dozen other cities that I could name to you. That is the reason I appointed this water commission.

The water situation in the Southwest is in a terrible situation. Arizona and California are both drying up. We have got to find some sort of a manner in which to meet that situation. And that is the reason I have appointed that water commission to make a survey. I hope we can solve it, but it is a very delicate and a very important problem. I hope we will get it solved so that it will be all right for those States and places that I have named.

[18.] Q. Mr. President, I would like to get cleared up on this Acheson thing. Are we standing on the Baruch position or is that——

THE PRESIDENT. Our position has never changed. The Baruch position is just the same now as it was the day it was made.⁸

Q. That is not being reconsidered?

⁸ Bernard M. Baruch, the United States Representative to the United Nations Atomic Energy Commission, set forth the position of the United States in his address delivered at the opening session of the Commission in New York City on June 14, 1946.

In his address Mr. Baruch stated that "The United States proposes the creation of an International Atomic Development Authority, to which should be entrusted all phases of the development and use of atomic energy, starting with the raw materials and including: (1) managerial control or ownership of all atomic-energy activities potentially dangerous to world security, (2) power to control, inspect, and license all other atomic activities, (3) the duty of fostering the beneficial uses of atomic energy, (4) research and development responsibilities of an affirmative character intended to put the Authority in the forefront of atomic knowledge and thus to enable it to comprehend, and therefore to detect, misuse of atomic energy. To be effective, the Authority must itself be the world's leader in the field of atomic knowledge and development and thus supplement its legal authority with the great power inherent in possession of leadership in knowledge."

For the full text of Mr. Baruch's address see the Department of State Bulletin (vol. 14, p. 1057).

⁷ See Item 1.

THE PRESIDENT. No reason to reconsider it. It is just as good today as it ever was.

Q. Not altered by anything now?

THE PRESIDENT. Not the slightest. Not the slightest. In fact, it ought to be more useful now than it was then.

We thought we were giving away, then, something good. We were on an even keel then, apparently.

Q. Is it your idea, sir, that that ought to make Russia more receptive?

THE PRESIDENT. I can't answer what Russia feels. I know how they have acted. I can only go on their actions. I can't tell you how Russia feels. Nobody knows. Except by their acts in the United Nations—and they have voted "no" every time. I don't think we have ever exercised the veto power.

Q. Mr. President, does the Secretary's statement, then, foreclose any changes in the future on our atomic policy?

THE PRESIDENT. There is no reason for any change. We are attempting to get international control of atomic energy and trying our best to get a peace in the world that will be good for everybody. That's all we are after. That's all we have ever wanted. That is the fundamental basis of our foreign policy.

Q. Well, how about general disarmament?

THE PRESIDENT. It is in the same category.

Q. Can they be considered together, Mr. President?

THE PRESIDENT. No, they cannot.

Q. Are you intending to say that you think public discussion does no good?

THE PRESIDENT. No, I am not. You needn't put words of that kind into my mouth. I will answer your questions—

Q. I thought I was asking one—

THE PRESIDENT. All right, proceed. You don't put any words in *my* mouth.

Q. Do you think that public discussion

will answer the situation?

THE PRESIDENT. Public discussion helps every situation.

Q. Mr. President, I didn't quite get that. You said disarmaments are in the same category as what?

THE PRESIDENT. As atomic control. They are. We are for both.

Q. Mr. President, you said we are not ready to consider atomic disarmament or atomic agreement and general disarmament together?

THE PRESIDENT. They go together. They are both in the same resolution in the United Nations, if you will read it. They do go together.

Q. We are for atomic agreement first?

THE PRESIDENT. I would like to have that atomic thing first, of course, but they are both in the same resolution in the United Nations.

Q. Are we inflexible on that point, Mr. President?

THE PRESIDENT. Doesn't mean inflexible. If we can get an atomic energy settlement, we won't have any trouble with the other.

Q. Mr. President, do you think that the Fuchs case possibly aggravates the international situation with respect to atomic energy? *

THE PRESIDENT. I have no comment on that.

Q. Couldn't hear that question.

THE PRESIDENT. He wanted to know if this English scientist's case had any effect on that, and I said I can't comment on that.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and sixteenth news conference was held in his office at the White House at 4 p.m. on Thursday, February 9, 1950.

* Dr. Klaus Fuchs, German-born, naturalized British scientist convicted of having transmitted secret atomic information to the Soviet Union.

35 Letter to the Attorney General Directing Him To Petition for an Injunction in the Coal Strike. *February 11, 1950*

My dear Mr. Attorney General:

On February 6, 1950, by virtue of the authority vested in me by Section 206 of the Labor Management Relations Act, 1947 (Public Law 101, 80th Congress), I issued Executive Order No. 10106, creating a Board of Inquiry to inquire into the issues involved in a labor dispute between coal operators and associations signatory to the National Bituminous Coal Wage Agreement of 1948, amending and extending the National Bituminous Coal Wage Agreement of 1947, and certain of their employees represented by the International Union, United Mine Workers of America, also signatory to the said agreement.

On February 11, 1950, I received the Board's written report in the matter, including a statement of the facts with respect to the dispute and each party's statement of its position. A copy of that report is attached hereto.

In my opinion this unresolved labor dispute has resulted in a strike affecting a substantial part of an industry engaged in trade and commerce among the several States and with foreign nations, and in the production of goods for commerce, which strike, if permitted to continue, will imperil the national health and safety.

I therefore direct you, pursuant to the provisions of Section 208 of the Labor Management Relations Act, 1947, to petition in the name of the United States any district

court of the United States having jurisdiction of the parties to enjoin the continuance of such strike, and for such other relief as may in your judgment be necessary or appropriate.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable J. Howard McGrath, The Attorney General, Washington, D.C.]

NOTE: Executive Order 10106 is entitled "Creating a Board of Inquiry to Report on a Labor Dispute Affecting the Bituminous Coal Industry of the United States" (3 CFR, 1949-1953 Comp., p. 300).

The Board's report, submitted on February 11 by David L. Cole, chairman, and John T. Dunlop and W. Willard Wirtz, members, is entitled "Report to the President: The Labor Dispute in the Bituminous Coal Industry" (8 pp., Government Printing Office, 1950).

The report reviewed the negotiations which had been carried on during the previous 8 months and stated that the parties had been more concerned with gaining tactical advantages than with trying to solve their problems by reaching an agreement. It concluded that the imperative needs of the country were such as to require the immediate resumption of the production of coal.

The report was followed on the same day by a Federal court injunction against the continuance of the strike. When the miners refused to return to work, the Government initiated contempt proceedings against the union. On March 2 the Federal district court in Washington, D.C., found the union not guilty on the ground that the Government had failed to produce sufficient evidence to support its charges.

The controversy ended on March 5 with the signing of a new contract between the mine operators and the miners.

See also Items 27, 49, and 50.

36 Special Message to the Congress Transmitting Report on the
Training of Veterans Under the Servicemen's
Readjustment Act. *February 13, 1950*

To the Congress of the United States:

In the Budget Message for 1951, I stated that there is some question whether some of the training being received by veterans under the Servicemen's Readjustment Act is conforming to the original sound objectives of the law. I also said that I had asked the Administrator of Veterans Affairs and the Director of the Bureau of the Budget to study this situation thoroughly and to recommend to me any corrective measures, administrative or legislative, which should be taken to assure that our expenditures for this program yield a proper return both to the veterans and to the Nation as a whole.

The contribution which the Servicemen's Readjustment Act has made to the postwar development of the Nation's most important resource—its young men and women—is very great. It is now approximately four years after general demobilization. During these four years the overwhelming proportion of all veterans have completed their readjustment or moved far in that direction. For the great majority of those who have made use of the education and training provisions of the Servicemen's Readjustment Act, the law has been of real and lasting service. A great deal of fine education and training has been provided. The Nation will be better prepared to face the difficult problems of the future because of the improved education and skills provided to millions of its worthy and capable young men and women.

Because the law has contributed effectively to the successful transition of so many veterans, I am confident that veterans and non-veterans alike will wish to see that the

record of the Servicemen's Readjustment Act shall not be blemished by the belated growth of certain kinds of trade and vocational training which do not contribute materially to the prompt and constructive readjustment of veterans. It was this conviction which led me to ask for a careful study of this aspect of the veterans' training program.

The Administrator of Veterans Affairs and the Director of the Bureau of the Budget have now reported to me. Their report makes it clear that the recent rapid increase in trade and vocational training has included training of less than acceptable quality. In a number of cases, veterans have not received instruction which meets reasonable standards. In a good many instances veterans have been trained for occupations for which they are not suited or for occupations in which they will be unable to find jobs when they finish their training.

It seems evident that each time a course of trade and vocational training does not contribute in a substantial way to the occupational readjustment of a veteran, it constitutes a failure of that portion of the program. Such failure is costly to the veteran, to his family, and to the Nation. While nothing that we may do can entirely eliminate such failures, I feel that steps can and should be taken to give greater assurance that every trade and vocational course under the Servicemen's Readjustment Act will provide good quality training and will in each instance help a veteran to complete his occupational readjustment and find satisfactory employment.

The report of the Administrator of Veterans Affairs and the Director of the Bureau

of the Budget, which I transmit herewith, contains recommendations to achieve this purpose. I commend the report to the Congress. In the interest of veterans as individuals and in the interest of the Nation, I urge that the Congress take suitable action, as it has done previously with respect to other types of training, to assure that all trade and vocational training conforms with the origi-

nal sound intent of the Servicemen's Readjustment Act.

HARRY S. TRUMAN

NOTE: The joint report of the Administrator of Veterans Affairs and the Director of the Bureau of the Budget is printed in House Document 466 (81st Cong., 2d sess.).

On July 13, 1950, the President approved the Veterans' Education and Training Amendments of 1950 (64 Stat. 336).

37 Address Before the Attorney General's Conference on Law Enforcement Problems. *February 15, 1950*

Mr. Attorney General, and gentlemen of the Conference:

When the Attorney General told me of his plan to hold this Conference, I welcomed the idea. It seemed to me that it would be most useful for Federal, State, and local officials concerned with law enforcement problems to gather together to devise ways and means of making law enforcement better and more effective.

There has been a substantial postwar increase in crime in this country, particularly in crimes of violence. This is disturbing, but it is one of the inevitable results of war, and the dislocations that spring from war. It is one of the many reasons why we must work with other nations for a permanent peace.

I might remind you that after every war this country has ever been engaged in, we have had exactly the same problems to face. After the Revolutionary War we had almost exactly the same problems with which we are faced now, out of which came the Alien and Sedition laws, which we finally had to repeal because they did not agree with the Bill of Rights. Then, after the War Between the States, or the Civil War, we had all sorts of banditry. My State was famous for some of the great bandits of that time, if you recall. We had the same situa-

tion after World War I. We had a terrible time then with the increase in crimes of violence. We managed to handle the situation, and I am just as sure as I stand here that we will do it again.

This postwar increase in crime has been accompanied by a resurgence of underworld forces—forces which thrive on vice and greed. This underworld has used its resources to corrupt the moral fiber of some of our citizens and some of our communities. It carries a large share of the responsibility for the general increase in crime in the last few years.

This is a problem that, in one degree or another, affects every community in the country, and every level of government. Our rural areas as well as our cities are involved in this.

It is important, therefore, that we work together in combating organized crime in all its forms. We must use our courts and our law enforcement agencies, and the moral forces of our people, to put down organized crime wherever it appears.

At the same time, we must aid and encourage gentler forces to do their work of prevention and cure. These forces include education, religion, and home training, family and child guidance, and wholesome recreation.

The most important business in this Nation—or any other nation, for that matter—is raising and training children. If those children have the proper environment at home, and educationally, very, very few of them ever turn out wrong. I don't think we put enough stress on the necessity of implanting in the child's mind the moral code under which we live.

The fundamental basis of this Nation's law was given to Moses on the Mount. The fundamental basis of our Bill of Rights comes from the teachings which we get from Exodus and St. Matthew, from Isaiah and St. Paul. I don't think we emphasize that enough these days.

If we don't have the proper fundamental moral background, we will finally wind up with a totalitarian government which does not believe in rights for anybody except the state.

Above all, we must recognize that human misery breeds most of our crime. We must wipe out our slums, improve the health of our citizens, and eliminate the inequalities of opportunity which embitter men and women and turn them toward lawlessness. In the long run, these programs represent the greatest of all anticrime measures.

And I want to emphasize, particularly, equality of opportunity. I think every child in the Nation, regardless of his race, creed, or color, should have the right to a proper education. And when he has finished that education, he ought to have the right in industry to fair treatment in employment. If he is able and willing to do the job, he ought to be given a chance to do that job, no matter what his religious connections are, or what his color is.

I am particularly anxious that we should do everything within our power to protect the minds and hearts of our children from the moral corruption that accompanies organized crime. Our children are our great-

est resource, and our greatest asset—the hope of our future, and the future of the world. We must not permit the existence of conditions which cause our children to believe that crime is inevitable and normal. We must teach idealism—honor, ethics, decency, the moral law. We must teach that we should do right because it *is* right, and not in the hope of any material reward. That is what our moral code is based on: do to the other fellow as you would have him do to you. If we would continue that all through our lives, we wouldn't have organized crime—if everybody would do that.

Our local, State, and Federal law enforcement agencies have a major role to play in this whole task of crime suppression.

As law enforcement officers you have great powers. At the same time you must never forget that hand in hand with those powers go great responsibilities. You must make certain that these powers are not used for personal gain, or from any personal motive. Too often organized crime is made possible by corruption of law enforcement officials.

But, far more than that, we must always remember that you are officers of the law in a great democratic nation which owes its birth to the indignation of its citizens against the encroachment of police and governmental powers against their individual freedoms.

Now there isn't any difference, so far as I can see, in the manner in which totalitarian states treat individuals than there is in the racketeers' handling of these lawless rackets with which we are sometimes faced. And the reason that our Government is strong, and the greatest democracy in the world, is because we have a Bill of Rights.

You should be vigilant to enforce the laws which protect our citizens from violence or intimidation in the exercise of their constitutional and legal rights. The strength of our institutions depends in large measure upon the vigorous efforts to prevent mob violence,

and other forms of interference with basic rights—the right to a fair trial, the right to vote, and the right to exercise freedom of speech, assembly, and petition.

It is just as much your duty to protect the innocent as it is to prosecute the guilty. The friendless, the weak, the victims of prejudice and public excitement are entitled to the same quality of justice and fair play that the rich, the powerful, the well-connected, and the fellow with pull thinks he can get.

Moreover, the guilty as well as the innocent are entitled to due process of law. They are entitled to a fair trial. They are entitled to counsel. They are entitled to fair treatment from the police. The law enforcement officer has the same duty as the citizen—indeed, he has a higher duty—to abide by the letter and spirit of our Constitution and laws. You yourselves must be careful to obey the letter of the law. You yourselves must be intellectually honest in the enforcement of the law.

Now as President of the United States, I have the most honorable and the greatest job in the world—the greatest position that can come to any man on earth. I am invested with certain great powers by the Constitution of the United States in the operation of the Government of the United States. But I was put into this place by the people of the United States. I am the servant of the people. And in the first place, I am a citizen of this great country. And as a citizen it is my duty as President of the United States to be exceedingly careful in obedience to the Constitution and the laws of this great Nation.

I believe that as President it is necessary for me to be more careful in obeying the laws than for any other person to be careful. I never infringe a traffic rule. I never exercise the prerogatives which I sometimes have of going through red lights. I never exercise the prerogative of taking advantage of

my position as President of the United States, because I believe, first, that I am a citizen, and that as a citizen I ought to obey the laws first and foremost.

And every one of you has that same responsibility. You yourselves, as I said, must be intellectually honest in the enforcement of the Constitution and the laws of the United States. And if you are not, you are not a good public official.

I know that it would be easier to catch and jail criminals if we did not have a Bill of Rights in our Federal and State constitutions. But I thank God every day that it is there, that that Bill of Rights is a fundamental law. That is what distinguishes us from the totalitarian powers. I am confident that you share these convictions with me, and that you will not lose sight of them in your efforts to wipe out organized crime and reduce lawlessness.

I know that your discussions here will be fruitful. I hope that you develop a sound plan by means of which the cooperative efforts of every American law enforcement agency will be effectively brought to bear upon organized crime.

Your task does not end with today's meeting. It only begins with today's meeting. The spade work must be done in the communities where you live and work. It will be your task to mobilize local opinion and resources against organized crime and the conditions which create it.

In this task I pledge my wholehearted support.

Thank you very much.

NOTE: President Truman spoke at 10:05 a.m. in the Department of Justice Auditorium in Washington. In his opening words he referred to J. Howard McGrath, Attorney General of the United States.

Among the organizations participating in the 1-day conference were the Department of Justice, the National Association of Attorneys General of the United States, the United States Conference of Lawyers, and the National Institute of Municipal Law Officers.

38 The President's News Conference of February 16, 1950

THE PRESIDENT. Gentlemen, I have no particular announcements to make. If you have any questions, I will try to answer them.

[1.] Q. Mr. President, you were quoted yesterday as having said that if it had not been for the 1948 campaign, you would have sent Justice Vinson to Moscow, and that maybe that would be a thing to do sometime in the future. Is that correct? ¹

THE PRESIDENT. Did you read the quotation in the paper, Smitty? ²

Q. Yes, sir.

THE PRESIDENT. Read it again. That will answer your question.

Q. Well, that is—

THE PRESIDENT. Read it again. That will answer your question.

[2.] Q. Mr. President, was that interview authorized in that form?

THE PRESIDENT. It was.

Q. Mr. President, does that represent a softening of your attitude toward columnists, and vice versa?

THE PRESIDENT. No, it does not.

[The White House Official Reporter stated that there was a period of silence at this point.]

May I say to you gentlemen right now—you seem to be in a kind of disgruntled mood this morning—that the President is his own

¹The reporter was referring to an exclusive interview that the President had granted to Arthur Krock, chief Washington correspondent of the New York Times, on February 14.

In his report of the interview, Mr. Krock quoted the President as having said that he would have sent Chief Justice Fred M. Vinson to Moscow in the fall of 1948 except for the political campaign then in progress and that perhaps he might send him on such a mission sometime in the future.

The text of the interview, as printed in the New York Times on February 15, is also published in the Congressional Record (vol. 96, p. A1272).

²Merriman Smith of the United Press Associations.

free agent. He will see whom he pleases, when he pleases, and say what he pleases to anybody that he pleases. And he is not censored by you, or anybody else.

I have tried my best to be as courteous to you gentlemen as I possibly can be, and I expect to continue that. But I don't like your attitude this morning, so just cool off. [Laughter]

Q. Mr. President, inasmuch as I am not disgruntled—

THE PRESIDENT. Of course you are not—of course you are not.

Q. —I might say to you, sir, as I used to work in the newspaper game—[laughter]—that that particular type of thing is a—these fellows feel, I think, that it is a reflection on every bureau chief and reporter in the White House—

THE PRESIDENT. It is nothing of the kind.

Q. I beg your pardon?

THE PRESIDENT. It is nothing of the kind.

Q. That is their attitude, and I hope that you will pardon me if I bring that to your attention?

THE PRESIDENT. That's all right, but it's nothing of the kind. But I don't stand for anybody to edit my actions. I am a free agent, even if I am the President of the United States.

Q. Mr. President, did you intentionally omit "damn"?

THE PRESIDENT. Yes, I intentionally omitted it. I could put it in, if you would like to have it. [Laughter]

Q. Where should it go in, Mr. President—the "damn"?

THE PRESIDENT. What?

Q. Where does it go in?

THE PRESIDENT. Put your question in, and I will edit it for you. [More laughter]

Now then, have you got any questions

that I can answer sensibly? If you have, I will listen to them.

Q. I'm sorry—I think this is not a criticism of your right to do as you please, but of our understanding as to whether others may also obtain exclusive and private interviews?

THE PRESIDENT. That remains to be seen. I will cross that bridge when I get to it.

[3.] Q. Mr. President, getting back to this question—that direct question which Mr. Smith just asked, you were quoted in this interview as saying that you might have sent Chief Justice Vinson to try to straighten out Stalin and other Russian leaders on our real intentions. Then you were quoted as saying maybe that will be the thing to do sometime. How about this question, sir? Do you think that time has come?

THE PRESIDENT. No, I do not.

[4.] Q. Mr. President, could I return with the feeling only of wanting information—

THE PRESIDENT. Sure. I will give you any information I can—that I am capable of.

Q. —that your giving of interviews goes by favor, and there is no longer a rule? We were under the impression that there was a rule which had—custom, at least, which had the binding force of a rule?

THE PRESIDENT. It is a custom. I will continue that custom—

Q. But you will—

THE PRESIDENT. —but I will do as I please with regard to breaking it. [*Laughter*]

Q. Yes sir. That is the information that I want.

THE PRESIDENT. That is the answer. You have the information. And I am not disgruntled in the slightest. [*More laughter*]

Q. Why should you be?

THE PRESIDENT. I am in as good a humor as I can possibly be, but I would like to

answer some questions that have a bearing on the present situation.

Q. I will give you one, Mr. President.

Q. You think our business is quite important, do you?

THE PRESIDENT. Sometimes I am not so sure.

Q. Mr. President, can you—

THE PRESIDENT. What is it?

[5.] Q. —Mr. President, one of your callers yesterday said that he got the impression that you plan to campaign extensively this year, after the nominees were in. He mentioned the States of Ohio and Pennsylvania?

THE PRESIDENT. I think I made a statement to this press conference sometime back that I was not dabbling in any Democratic primaries outside of the State of Missouri, but that after the primaries were over I will be willing to help the Democrats to win in any State in the Union.

Q. Could you tell us—

THE PRESIDENT. That is along the same line.

Q. Yes. Inasmuch as he mentioned two States, could you mention perhaps some other States?

THE PRESIDENT. No. Let's attend to that when we get to it. I will take you on a nonpolitical tour, one of these days, and I'll show you. [*Laughter*]

[6.] Q. Mr. President, about that Missouri primary, have you got any word whether Forrest Smith is going to be at the dinner tonight? ³

THE PRESIDENT. I beg your pardon?

Q. Have you got any word as to whether Forrest—Governor Smith will or will not be at the dinner tonight?

THE PRESIDENT. He will be at the dinner.

Q. He will be at the dinner?

³Jefferson-Jackson Day Dinner. See Item 39.

THE PRESIDENT. He will be at the dinner. At least, if the weather is good to fly in this morning he will be there.

Q. Mr. President, he wired John Hendren⁴ that the National Guard wouldn't let him take off.

THE PRESIDENT. That was yesterday, not today.

Q. Has the weather changed?

THE PRESIDENT. There is not—I don't know—you know, weather conditions change from day to day. I rather think he will be here.

[7.] Q. Mr. President, do you have any comment on the agreement between Russia and the Communist government of China?

THE PRESIDENT. I have no comment, for I haven't myself personally—I haven't read the treaty and don't know what it contains. I think Dean Acheson covered the matter very well yesterday.⁵

[8.] Q. Mr. President, do you approve of the selling of hundred-dollar tickets for tonight's dinner to civil service employees who are nonpolitical employees?

THE PRESIDENT. If they want to buy a ticket, they are at liberty to buy one. I don't think their civil rights have been infringed upon in the slightest.

⁴John H. Hendren, chairman, Missouri Democratic State Committee.

⁵The New York Times reported on February 16 that Secretary Acheson, in his press conference of February 15, had warned the Chinese people that their troubles with the Soviet Union had only begun with the signing of the Sino-Soviet Pact. The treaty of alliance between the two countries was signed in Moscow on February 15.

Secretary Acheson was quoted as saying that even if the full sum of the Soviet Union's promised economic aid—\$300 million over a 5-year period—was forthcoming, it would be meager in comparison with the great economic needs of China. He further stated that the most significant features of the new agreements were probably covered by secret protocols that would never be made public, but that could be measured only by Russian conduct in China in the months and years to come.

[9.] Q. Mr. President, speaking of civil rights, don't you think that a Federal law against bigtime gambling is just as important as Federal laws against lynching—

THE PRESIDENT. Well now, that is a matter that will have to be worked out by the Attorney General. That is not in my immediate department. I am not a criminal enforcement officer. I will take the advice of the Attorney General on the subject.

Q. Mr. President, have you ever advocated a Federal law against gambling?

THE PRESIDENT. No. I never—it has never come up for consideration.

Q. I do not understand the question.

THE PRESIDENT. No. No, it has never come up for consideration. I think all sorts of lawlessness ought to be stopped by any measure that is possible to stop it. I think, in enforcing the Federal law, that we must always be careful that the civil rights part of the Constitution is not infringed upon. That is what I tried to make perfectly clear in my speech yesterday.⁶

Q. I beg your pardon—in this particular jurisdiction, where we have two or three counties—two States and a Federal jurisdiction—District of Columbia—we have found here, according to the grand jury, that it is impossible to enforce laws against gambling without the addition of some interstate matter or help of the Federal Government. That is the report of the grand jury.

THE PRESIDENT. Well, that ought to be remedied.

Q. You understand about that?

THE PRESIDENT. Yes. That ought to be remedied.

Q. That ought to be remedied?

THE PRESIDENT. That ought to be remedied, of course.

[10.] Q. Mr. President, do you agree with Mr. Churchill that another top level

⁶Item 37.

conference with Mr. Stalin might achieve some results? ⁷

THE PRESIDENT. I have no comment to make on Mr. Churchill's statement. I have always said that the door is open here in Washington. Any time any head of state wants to come and visit me, he is welcome.

Q. You still want it to be held here in Washington?

THE PRESIDENT. Yes.

Q. Mr. President, do you think Mr. Churchill is just electioneering?

THE PRESIDENT. That question I do not want to answer.

[11.] Q. Mr. President, did you tell Charles Luckey ⁸ that you might be a candidate for President?

THE PRESIDENT. He drew that conclusion. [Laughter]

Q. Did you indicate to him that you might be a candidate?

THE PRESIDENT. He drew that conclusion. [Laughter]

[12.] Q. To return to Missouri politics once more, Chairman John Hendren told a group of Missouri Democrats at luncheon yesterday that it is his understanding that the Hatch Act will not prohibit Government workers from joining the Missouri State Democratic clubs, that they could not be solicited while at work but they could solicit them at home.

THE PRESIDENT. I think the Government employee, when he is through with his Government work, can do anything he pleases that does not infringe upon the criminal law.

⁷ The New York Times reported on February 15 that former British Prime Minister Winston S. Churchill spoke at Usher Hall in Edinburgh, Scotland, on February 14. The Times quoted Mr. Churchill as stating that a new "top level" attempt to reach an agreement with the Soviet Union for the control of the atomic bomb and an end to the cold war should be instigated.

⁸ George (Charles) Luckey, vice chairman of the California Democratic State Committee.

I think he has the same rights as any other citizen of the United States, and if he hasn't he ought to have.

Q. Mr. President, the Hatch Act—that doesn't say that?

THE PRESIDENT. The Hatch Act is specific in that particular. You ought to read it very carefully. I am pretty familiar with the Hatch Act, for I was there when it passed, and I voted against section nine, which is the one to which this refers.

[13.] Q. Mr. President, in your discussion yesterday with Mayor Lawrence of Pittsburgh, did the mayor give you a very promising picture of Pennsylvania?

THE PRESIDENT. Yes, he did. Yes, he did.

Q. Do you think Senator Francis J. Myers will be elected?

THE PRESIDENT. Yes, and I hope he will.

[14.] Q. Mr. President, do you have any hopes that the miners will go back to work under the injunction—

THE PRESIDENT. Well, I don't want to comment on that, because that is a matter that is in the courts, and the courts will have to handle it.

[15.] Q. Mr. President, did Mr. Luckey draw the correct conclusion?

THE PRESIDENT. That question will have to be—you will have to wait awhile for the correct answer to that question.

Q. Didn't hear that answer, sir.

THE PRESIDENT. He wanted to know if Mr. Luckey drew the correct conclusion, and I told him you would have to wait awhile to see whether his conclusion was right or not.

[16.] Q. Mr. President, your Solicitor General, Mr. Perlman, filed a brief last Thursday regarding two schools in Oklahoma and Texas; and at the time I asked you if you had seen it and you said you had not. Is that brief the official view of the administration?

THE PRESIDENT. I haven't read the brief, and I don't know what is in it, and I can't answer your question now any more than I could last week.

[17.] Q. Mr. President, Mr. Green and Mr. Murray⁹ were in to see you a few days ago, and they asked you to do something about British arms shipments to the Arabs.

THE PRESIDENT. They brought me in a letter signed by both of them, and I referred it to the State Department.

Q. Would you care to comment on it?

THE PRESIDENT. No.

[18.] Q. Mr. President, could you comment on Senator Joseph R. McCarthy's statement that there are 57 Communists in the State Department?

THE PRESIDENT. I think the State Department answered that by saying there was not a word of truth in what the Senator said.

[19.] Q. Mr. President, what is your feeling toward the Atlantic Union proposal now being discussed on the Hill?

THE PRESIDENT. I am not familiar enough with it to comment on it. I don't think now is the proper time to press a thing of that sort. We have other things much more important right now.

[20.] Q. Mr. President, do you feel there would be any value in—propaganda-wise or otherwise—a somewhat more dramatic move than the State Department's, by the Assistant Secretary of State, that we are still ready to negotiate on the atomic control?

THE PRESIDENT. What do you mean by that? The negotiating machinery in the

United Nations and our Ambassadors in all the capitals of the world are always ready to discuss any questions with any state when they want to discuss them with us. The door has always been open. We have never walked out of any meetings. We have never used the veto power for the purpose of preventing peace in the world. Why don't you read a little history? Our doors are always open. We are ready to talk with anybody on any subject that will contribute to peace. I don't think it needs any showmanship to carry that through.

Q. Mr. President, the reason—feeling that that had been your constant position was one of the reasons we were astonished at the reference to Vinson in the Krock interview.

THE PRESIDENT. I don't think you should be astonished. Read it very carefully. It did not astonish anybody at the time.

[21.] Q. Mr. President, the CIO executive board early this week urged you to fire Mr. Denham.¹⁰ Are you considering that?

THE PRESIDENT. No, I am not.

Q. Mr. President, have you power to fire Mr. Denham?

THE PRESIDENT. If I have the power to appoint, I have the power to dismiss, except if the law provides that it can't be done. You will find that is the decision of the courts all the way down.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and seventeenth news conference was held in his office at the White House at 10:30 a.m. on Thursday, February 16, 1950.

⁹ William Green, president of the American Federation of Labor, and Philip Murray, president of the Congress of Industrial Organizations.

¹⁰ Robert N. Denham, General Counsel, National Labor Relations Board.

39 Address at the Jefferson-Jackson Day Dinner.
February 16, 1950

Mr. Chairman, distinguished guests, and fellow Democrats:

This is the most remarkable dinner I have ever seen. And during my 30 years in politics, I have seen many a dinner. I have attended many Democratic meetings such as this, and I think this has been the grandest one of all.

This dinner and others like it throughout the land are evidence of the growing strength of the Democratic Party. They show that our party is determined, more than ever before, to carry its message to the voters of this country.

It is very significant that such great interest and enthusiasm are being shown in a congressional election year. We know that congressional elections are as important as presidential elections. We found that out in 1946. We found out just how much harm can be done to our country when a congressional election goes wrong. I am sure we are not going to let that happen again. We are not going to put ourselves in the position of electing another "do-nothing" 80th Congress.

These dinners carry forward a great tradition. The original Jefferson-Jackson dinner was held in this city in 1830, 120 years ago. It was given in memory of Thomas Jefferson, and its guest of honor was Andrew Jackson, President of the United States. At that first Jefferson-Jackson dinner, President Jackson gave his famous toast—"Our Federal Union, it must be preserved!"

Tonight, we meet again to think of our Federal Union, and to be thankful that it has been preserved, and find that it has grown in strength and in service to the people. As in Jackson's time, we meet to discuss some of the problems that our country faces.

We have some very serious problems today. We are living in a troubled period of the world's history. Our responsibilities, as a Nation, have never been so great, and the decisions we face have never been more difficult. We are confronted with serious questions of foreign policy. We have the problem of maintaining an adequate national defense. We have the task of maintaining prosperity and protecting our economy from depression. We have the question of handling the Nation's finances and the national debt.

My fellow Democrats, these are grave issues. And the Democratic Party is meeting them squarely. We do not believe in trifling with the people about these issues. We do not offer to solve them with vague generalities and wornout slogans. We know that the solution of these problems requires all the wisdom and energy we possess as a Nation. We know that their solution requires heavy expenditures. The Democratic Party does not propose to deceive the people either about the problems we face or about the cost of solving them.

The Democratic Party has confidence that the United States will meet these great responsibilities. It knows that the United States is a dynamic, growing nation. We believe that this country will make as much progress in the next 50 years as it has made in the last 50 years.

But we cannot meet the responsibilities of today or the challenge of the future by following the outmoded concepts of 50 years ago. The promise of the 20th century cannot be fulfilled by those who would like to return to the days of President McKinley.

We must go forward with our programs for peace through defense and foreign aid.

We must proceed with our domestic programs for health, education, social security, and economic stability. Both our foreign programs and our domestic programs are necessary to answer the demands which this critical period of history makes upon this great United States. We cannot have prosperity at home unless we play our full part in the defense and the revival of other free nations. We cannot have peace abroad unless we increase the strength and freedom, and the well-being of our people here at home.

There are some who would like to see us turn our backs upon the rest of the world and drop our efforts to strengthen our domestic economy. At the present time, they are spreading the mistaken idea that we can save money by going backward. They advocate slashing our expenditures for peace and for our domestic programs. These people are blind to the problems that confront us. They cannot see that a tax cut would only help their own pocketbooks temporarily. They fail to see that in the long run false economy would endanger not only their pocketbooks but their lives and the continuation of civilization itself.

It is true that our present expenditures are large. But the Democratic administration is working toward a balance in the Federal budget. I wish we could balance the budget immediately by the simple expedient of cutting expenses. My friends, that is out of the question. More than 70 percent of our Federal budget goes to pay for past wars and to work for peace in the future. Anyone who says that these expenditures are extravagant does not understand the kind of world we live in. Our other expenditures are less than one-third of the budget, and less in proportion to the national income than they were 10 years ago.

I would like to cut expenditures further, and I intend to cut them at every oppor-

tunity. But I do not propose to weaken the strength and security of this great country. I do not propose to place the peace of the world in jeopardy to satisfy the advocates of false economy.

In this difficult world situation, some people are talking about general tax reductions. I regard this as rank political hypocrisy. We had one recent experience with an ill-timed, irresponsible tax cut. Much of our present financial difficulty is the result of the sweeping tax reduction which was enacted in 1948 over my veto—at a time when expenditures for defense and foreign policy were inevitably rising. I vetoed that tax bill three times, and I tried my best to explain to that “do-nothing” 80th Congress that they were ruining the financial state of the country. They thought they had a tremendous asset in that asinine tax cut, but it backfired on them. Now, we must not make the same mistake again.

In this election year, the Democratic Party will not play politics with the Federal budget. We will state the honest truth about the budget, just as we will about all other issues. We believe that the people are entitled to the plain facts about every issue, so that they can make up their own minds—just as they did in 1948.

The Democratic Party can afford to be frank and truthful, because it is working for the general welfare of all our citizens. It does not serve any narrow group or clique. This makes it easy for the Democratic Party to put its program before the country openly and completely. We have nothing to hide from the people. Our strength lies in explaining our program and our policies to the people. And the more thoroughly we explain to them what the Democratic Party is trying to do, the more certain we can be of their continued support.

There are many differences between the Democratic Party and the Republican Party.

But I think the greatest difference is that the Democratic Party is the party of affirmative action—it is for measures to achieve prosperity and progress. The Republican Party is the party of negative inaction—it is always against things.

You know, I think the principal thing the Republicans are against, of course, is the Democratic Party. They just can't win on that plank alone. They must try to find reasons for being against the Democratic Party. They must persuade the people to vote against the Democratic Party. And that is getting harder and harder to do year by year.

One of the reasons it's hard to do is that the Republican Party has no affirmative program of its own. It refuses to face the problems of our economy. It refuses to take thought and to make plans for the future. Instead of presenting a positive program of their own, the Republicans sit around waiting for us to make a proposal, and they react with an outburst of scare words. They are like the cuttlefish that squirts out a black cloud of ink whenever its slumber is disturbed. We have disturbed the Republican sleepers many times in the last 18 years.

Right now, the main problem of the Republican leaders seems to be to find some new scare words. They have not had much luck along that line, lately. They tried using the phrase "welfare state" as a scare word for a while, but they discovered that the people are in favor of a government that promotes their welfare. So they dropped that one as a scare slogan. Then they tried "statism." But my good friend Governor Lehman took care of that one in the New York election—and so they had to drop it, too.

Now, the Republican leaders have to go back to an old standby. Frankly, I don't think it's as good as some of the others, but it appears to be the best they can think of.

Their current scare word is "socialism."

It's perfectly safe to be against "socialism." The difficult thing is to make the country believe that the Democratic Party stands for socialism. How in the world can the Republicans persuade people that all you Democrats at all these dinners are socialists? I just don't believe they can do it.

I know it can't be done. But the Republicans will try it just the same. That's what they've been trying to do ever since 1933. For the last 17 years they have called every new Democratic measure "socialism" or "communism," and they have made constant predictions of doom and disaster. The plans and proposals that we have advanced for improving the conditions of the people of this country have been greeted by these same old scare tactics during all these years.

And I'm going to prove that to you.

Let us take it step by step. This is most interesting.

In 1933, this country faced some of the greatest problems in its history—the problems of providing food and work for millions of jobless persons and their families, of saving millions of farms and homes from foreclosure, of restoring a banking system that had collapsed, of placing the entire economy on the way to recovery.

The Democratic Party rolled up its sleeves and went to work. It took steps to provide relief and jobs, to save farms and homes, to restore banks and businesses. Bit by bit the economy responded to these vigorous measures. Income began to grow, confidence returned, business activity mounted. This was the response of the economy to our farm and labor and business programs—our programs for resource development and public works and the building of homes.

As this miracle of recovery unfolded, what was the attitude of the Republican Party?

In 1934—and I ran for the Senate in 1934, and I remember this well—the Republican

National Committee issued a policy statement—a policy statement. And in that statement they said:

“American institutions and American civilization are in greater danger today than at any time since the foundation of the republic.”

That sort of talk may have frightened the members of the Union League Club. But it didn't frighten the people who had been saved by the New Deal from breadlines and bankruptcy.

In 1936, the Republicans thought the danger was worse. That was when President Roosevelt was running for his second term. In that year, the Republican platform cried out:

“America is in peril. The welfare of American men and women and the future of our youth are at stake. . . . The New Deal administration”—this is from the 1936 Republican platform—“The New Deal administration has bred fear and hesitation in commerce and industry, thus discouraging new enterprises, preventing employment, and prolonging the depression.”

People weren't scared by that one either. They knew it just didn't make sense, because the national income had risen more than 50 percent in the previous 4 years, and it was still rising.

In 1940, the Republicans tried to scare us again. This time their platform said:

“The Administration has imposed upon us a regime of regimentation which has deprived the individual of his freedom and has made of America a shackled giant. . . . The New Deal administration has failed America.”

That's what the Republicans said, but the America that the New Deal had saved—the economy that the New Deal had freed and made productive again—became the arsenal of democracy that overwhelmed the forces of totalitarian aggression.

But that still didn't teach the Republicans anything. In 1944, when we stood at the peak of our wartime production—the economic bulwark of the free world—the Republican Party platform proclaimed: “The fact remains that under the New Deal, American economic life is being destroyed.” That's what they said in 1944—“American economic life is being destroyed.”

Apparently, they never learn anything. Today, when we have a national output of over \$250 billion a year and a higher standard of living than ever before in the history of the world, the Republican Party still cannot see anything good about the situation. In their policy statement issued 10 days ago, the Republican National Committee declared: “The major domestic issue today is liberty against socialism: . . . Basic American principles”—they said—“are threatened by the administration's program . . .”

It's the same old story—the same old words, the same old music—the same empty and futile attempt to scare the American people—in complete contradiction of the plain facts that are visible to every citizen in his daily life to see. The country is not going to let them get away with it. Don't worry about it.

For the past 17 years, the same outcry has greeted every proposal advanced by the Democratic Party—whether it has been for better housing, social security, rural electrification, farm price supports, minimum wages, or any other program for the general welfare of the people.

They have been against all these proposals, but now they are for all of them. But, are they? Are they? I think they showed you conclusively what they would do if they had control of the Government when they had the 80th Congress.

In 1944, Representative Joseph W. Martin, Jr.—who was the Republican leader in the House, and who is the minority leader

now—summarized the Republican attitude toward all these progressive steps in one brief paragraph when he said:

“For 11 years we have been steadily drifting into a regimented nation, with absolute control vested in a power-mad group of bureaucrats and social planners. Unless there is a change in government this year we can be reconciled to some kind of totalitarian government.” That was in 1944.

That is what the Republicans said about our program in 1944. That is the way they talked about our programs in 1948. That is what they are saying about them now.

Today we are proposing further development of our resources, further strengthening of our economy, new measures for the welfare of the people. And what do we hear? The same old story. It is all repeated in that latest statement of the Republican National Committee:

“This program”—they said, and they were talking about the program of the Democratic Party—not their own, for they haven’t one—“This program is dictated by a small but powerful group of persons who believe in socialism, who have no concept of the true foundation of American progress, whose proposals are wholly out of accord with the true interests and the real wishes of the workers, farmers, and businessmen.” That is a quotation from their very solemn policy statement.

Well, let’s look at the record. What is our program? Where did it come from? Our program is the platform adopted by the Democratic Party at its Convention in 1948. And it has been voted on by the people of this country, including the workers, farmers, and businessmen.

If our program was dictated, as the Republicans say, it was dictated at the polls in November 1948. And it was dictated by a “small but powerful group” of 24 million voters.

And I think they knew more than the Republican National Committee about the real wishes of the workers, farmers, and businessmen. What do you think?

Now, of course, this program is not socialism. It is based upon a firm faith in the strength of free enterprise. It is designed to strengthen the markets of free enterprise and to expand the investments of free enterprise. It will make our citizens economically secure, well educated, and confident of the future. Only in a nation of such citizens can free enterprise grow and expand and reach its full possibilities.

The program of the Democratic Party is aimed to promote the prosperity and welfare of all the American people. It is aimed to increase the freedom of all the American people.

Freedom is not an abstraction. Freedom is a reality in our daily lives. The programs of our party have freed workers from the economic subjection of their employers. These programs have freed farmers from the fear of bankruptcy. These programs have released farm wives from bondage and ceaseless drudgery. These programs have freed older people from the fear of a dependent old age.

These programs—our programs—look forward to the day when our people will be freed from fear of inadequate medical care from crushing medical expenses. They are aimed at freeing our young people from ignorance and a poor education.

This is the record and the promise of the Democratic Party in expanding the freedom of the American people. But when the Republican Party proclaims that we are engaged in restricting freedom—that we are enemies of freedom—I ask, “Whose freedom?” Let the American people look into their own lives and ask themselves whether they enjoy greater freedom or less than they did 18 years ago.

About the only freedom we have limited is the freedom of Republicans to run the country. I have an idea that is what they are complaining about.

For the Republicans to drag out the same old moth-eaten scarecrow of "socialism" again in 1950—after having used it, or something very like it, in opposition to every progressive step the Nation has taken since 1933—is an insult to the intelligence of the American people. Out of the great progress of this country, out of our great advances in achieving a better life for all, out of our rise to world leadership, the Republican leaders have learned nothing. Confronted by the great record of this country, and the tremendous promise of its future, all they can croak is "socialism!"

The Democratic Party is going right ahead to meet the needs and carry out the aspirations of the American people.

Our objective is to advance in freedom—to create a system of society that is even more responsive to the needs of the people—to establish democratic principles so firmly in the hearts of the people that they can never be uprooted.

In the present anxieties and troubles of the world, the real strength of our country lies not in arms and weapons, important as they may be, but in the freedom of our citi-

zens in their faith in a democratic society. Among the nations of the world we stand as an example of what free men can do when they are in control of their own affairs and dedicated to the concept of a better life for all.

To work for the prosperity, and welfare, and freedom of the American people is to work for the vindication of democratic institutions everywhere. And it is only through the growth of democratic institutions that a just and lasting peace can finally be achieved.

In this troubled world, it is more than ever important that the Democratic Party remain steadfast in its devotion to these ideals. It is more than ever important this year that the Democratic Party present its program to the people so plainly that it cannot be misunderstood. If we do that, I am confident that the people will again voice their approval of the principles which lead to increased prosperity, welfare, and freedom—not only for this country, but for all free nations of the world everywhere.

NOTE: President Truman spoke at 10:30 p.m. in the National Guard Armory in Washington. His opening words "Mr. Chairman" referred to Charles Luckman, chairman of the Jefferson-Jackson Day Committee.

The address was broadcast over all major radio networks and was televised.

40 Letter to Dr. Irvin L. Stewart on the Establishment of the President's Communications Policy Board. *February 17, 1950*

My dear Dr. Stewart:

Communications services represent a vital resource in our modern society. They make possible the smooth functioning of our complex economy; they can assist in promoting international understanding and good will; they constitute an important requirement for our national security. There is, accordingly,

a major public interest in assuring the adequacy and efficiency of these services.

Developments in this field during and since the war have created a number of problems which require careful consideration at this time. The extent to which the Government should, in time of peace, continue to operate its own communications facilities

is one such problem of current importance. The question of merging the overseas operations of our commercial communications companies also requires objective review. The most pressing communications problem at this particular time, however, is the scarcity of radio frequencies in relation to the steadily growing demand. Increasing difficulty is being experienced in meeting the demand for frequencies domestically, and even greater difficulty is encountered internationally in attempting to agree upon the allocation of available frequencies among the Nations of the world. In the face of this growing shortage, the problem of assuring an equitable distribution of the available supply of frequencies among all claimants, both Governmental and private, is rapidly assuming major prominence.

Problems such as these cannot adequately be considered on a piecemeal basis. They must be viewed as parts of the broader problem of developing a total national communications policy, designed to assure the most effective utilization of the various forms of communication facilities, and the full satisfaction of those needs which are most essential to the broad public interest. An over-all, objective review of this entire situation is urgently needed.

I am therefore establishing by Executive order a temporary Communications Policy Board of 5 members to study and to make recommendations to me on the policies and practices which should be followed by the Federal Government in this field in order best to meet the broad requirements of the public interest. I am asking you to serve as Chairman of this Board. In view of the need for early action in this field, I should like to receive the Board's final report by no later than October 31, 1950.

The Executive order establishing this Board states that the Board shall study the

present and potential use of radio and wire communications facilities by governmental and non-governmental agencies. The Order further states that the Board shall make recommendations in the national interest concerning (a) policies for the most effective use of radio frequencies by governmental and non-governmental users and alternative administrative arrangements in the Federal Government for the sound effectuation of such policies, (b) policies with respect to international radio and wire communications, (c) the relationship of Government communications to non-government communications, and (d) such related policy matters as the Board may determine.

I feel that the problem of radio frequencies will be one of the most important areas for the Board's investigations. I hope that, as a result of its studies, the Board will be able to recommend possible means for conserving frequencies, as well as standards for determining the relative priority of competing claims for frequencies, and possible administrative arrangements within the Government for assuring, on a continuing basis, a sound and equitable allocation of the limited frequency supply.

I believe that the studies to be undertaken by the Board are of vital importance to the economy of this Nation, to our international relations, and to our national security. I am sure that you will receive the full cooperation and assistance of all parties concerned.

Sincerely yours,

HARRY S. TRUMAN

[Dr. Irvin L. Stewart, President, University of West Virginia, Morgantown, West Virginia.]

NOTE: The President's Communications Policy Board was established by Executive Order 10110 (3 CFR, 1949-1953 Comp., p. 302).

The following persons were appointed by the President to the Board, in addition to Dr. Stewart: Dr. Lee A. DuBridge, president, California Institute of Technology, Pasadena, Calif.; David H. O'Brien,

Hackettstown, N.J.; William L. Everitt, dean, College of Engineering, University of Illinois, Urbana, Ill.; and Dr. James R. Killian, Jr., president, Massachusetts Institute of Technology, Cambridge, Mass.

On February 16, 1951, the Board submitted to the President its report, "Telecommunications, A Program for Progress" (238 pp., Government Printing Office, Mar. 1951).

41 Remarks at a Masonic Breakfast on Washington's Birthday. *February 22, 1950*

Mr. Chairman and distinguished guests:

I am exceedingly happy to be with you this morning for breakfast, but I don't think it would be entirely fair for me to take advantage of the opportunity to inflict two speeches on you, because at 2:30 this afternoon I am going to address you formally and straight from the shoulder on the foreign policy of the United States as it affects the birthday of George Washington.

I think that gatherings of this kind are exceedingly helpful for the welfare of the country as a whole. We come from every corner of the United States, we know the local conditions, and we have come here to discuss national affairs and to discuss our own problems; and we go back home bigger and broader men, and in that way can continue the traditions on which our Government is founded.

It is a pleasure to me this morning to see a great many gentlemen here who are not members of the fraternity. They are just as good citizens and just as good men, nevertheless. I am very sure that there are some of them here this morning that I am going to have to get absolution for. I am a very

good friend of His Holiness the Pope, so you needn't worry.

I do appreciate this privilege. I hope that it can be continued, and that we can get together for pleasure and fraternal association year after year, for the welfare not only of this organization to which we belong, but for the welfare of the United States and the governments of the world as a whole who believe in the Bill of Rights for their citizens. That is the thing that we are fighting for in this world.

If I am not careful, I will probably be tipping you off as to what I expect to discuss this afternoon, so I think now is a good time to quit.

Thank you very much.

NOTE: The President spoke at 8:15 a.m. in the Congressional Room of the Statler Hotel in Washington. His opening words "Mr. Chairman" referred to Frank Land, founder of the Order of DeMolay.

The breakfast was given in the President's honor by Mr. Land on behalf of the Grand Masters of the Masonic Order who were in Washington to attend the Grand Master's Conference. Also in attendance at the breakfast were several high officials of the Federal Government.

President Truman was a thirty-third degree Mason and a Past Grand Master of the Grand Lodge of the State of Missouri.

42 Address on Foreign Policy at the George Washington National Masonic Memorial. *February 22, 1950*

IT IS a great privilege to dedicate this inspiring statue of George Washington.

This is the climax of many years of planning and effort. I congratulate particularly

the Order of DeMolay, whose contributions have made this statue a reality. This heroic likeness of our first President makes even more impressive the entrance hall of this

temple. It is altogether fitting that this work should stand in the community that Washington did so much to build, and so near his own home at Mount Vernon.

George Washington, like ourselves, lived in a period of great change—a period when new forces and new ideas were sweeping across the world. He was the leader of his people in a revolution against tyranny. He commanded an army in a long and bitter war. He was a major figure in the creation of a new kind of constitution. And, finally, as the first President of our Nation, he translated that Constitution into a living government.

Washington's efforts for freedom were twofold. He was concerned first with making the ideal of democratic government work. He was also concerned with the defense of that ideal against the forces that opposed it.

Washington was unwavering in his devotion to the democratic concept. He never yielded to those who urged him to assume extraordinary powers. Even in the darkest days of the Revolution, when his task as Commander in Chief of the American forces was rendered doubly difficult by the weakness of the Congress and the rivalries among the states, he always considered himself a servant of the people. In all that he did he strove to make democratic institutions more effective.

He knew, too, that they had to be defended—that there were times when the use of force to defend democracy could not be avoided. He not only led the armies of the revolution, but as President he was always alert to the necessity of a vigorous national defense.

The task of Americans today is fundamentally the same as it was in Washington's time. We, too, must make democracy work and we must defend it against its enemies.

But our task today is far greater in scope

than it was in Washington's time. Not only are we concerned with increasing the freedom, welfare, and opportunity of our people. We are also concerned with the right of other peoples to choose their form of government, to improve their standards of living, and to decide what kind of life they want to live.

Since Washington's time the great principles for which the American Revolution was fought have become known throughout the world and have uplifted the hearts and hopes of generations of men. At the same time, through the progress of science, the nations of the world have been drawn together into a common destiny. Our security and progress are today more closely related than ever before to the advance of freedom and self-government in other lands.

This is a time of restlessness and change. In many parts of the world men are searching for a better social order. They demand a way of life that will provide greater freedom and more widespread opportunity. They yearn to own the land they live on, and to be secure against poverty, disease and hunger. Above all, they want to live their own lives as they see fit. This rising demand of men everywhere for independence and a better life puts the ideals of freedom and self-government to their greatest test.

At the same time, these ideals are under deadly attack from those who would destroy them. The most aggressive of these enemies today is communism. Communism seeks to induce men to surrender their freedom by false promises of a better life. But the great danger of communism does not lie in its false promises. It lies in the fact that it is an instrument of an armed imperialism which seeks to extend its influence by force.

This threat of force is a challenge to all peoples who are free and who wish to be free and remain free. The fundamental issue is whether men are to be free to choose their own way of life, or whether they must

live under a system imposed upon them by force.

Just as our Thirteen Original States found that survival and progress depended on closer association and common effort, so the free nations of the world today must seek their salvation in unity and concerted action. The real strength of the free nations is not to be found in any single country or in any one weapon, but in the combined moral and material strength of the free world as a whole.

As members of the United Nations, the free nations are working for peace and international security in accordance with the principles set forth in the United Nations Charter. Within the context of that larger association, many of the free nations have joined together to strengthen the common defense of particular areas against aggression. That is the meaning of the North Atlantic Treaty and the Mutual Defense Assistance Program.

We shall continue to work with the other free nations associated with us in the common defense—for our defense is theirs, and their defense is ours. The united defense of these nations is a powerful deterrent to aggression, and it will become more powerful as time passes on.

In creating a common defense, we do not seek to impose a way of life on any nation. Freedom is not expanded by conquest. Democracy is not created by dictation. Freedom and democracy grow only by persuasion and example and through the actual experience of what they mean.

At the same time, freedom cannot grow and expand unless it is protected against the armed imperialism of those who would destroy it. The free nations, therefore, must maintain military force as a defensive measure.

While the free nations stand prepared to resist aggression, they are doing their utmost

to find peaceful means for settling international disputes. They know that another great war could destroy victor and vanquished alike.

Consequently, we in the United States are doing, and will continue to do, all that lies within our power to prevent the horror of another war. We are working for the reduction of armaments and the control of weapons of mass destruction.

We are convinced of the necessity for an international agreement to limit the use of atomic energy to peaceful purposes, and for a working international system to assure that such an agreement is effectively carried out. We believe that the United Nations is the proper forum to reach such an agreement. We firmly believe that all nations would gain by such an international agreement. We shall continue to work honestly and wholeheartedly toward that end. But we must remember that the outcome is not ours alone to determine. The actions of men in other countries will help to shape the ultimate decision.

We believe that the plan for controlling atomic energy which has been worked out in the United Nations and has been approved by the overwhelming majority of its members, would be effective. The plan, therefore, has our support. It has our support not because of its form or its words, but because we believe that it would achieve effective control. The stakes are too large to let us, or any nation, stand on pride of authorship. We ask only for a plan that provides an effective, workable system—anything else would be a sham agreement. Anything less would increase, not decrease, the dangers of the use of atomic energy for destructive purposes. We shall continue to examine every avenue, every possibility of reaching real agreement for effective control.

In the long run, however, our security

and the world's hopes for peace lie not in measures of defense or in the control of weapons, but in the growth and expansion of freedom and self-government. As these ideals are accepted by more and more people, as they give greater meaning and richer content to the lives of millions, they become the greatest force in the world for peace.

The purpose of our participation in the United Nations and other international organizations is to strengthen this great force for peace. That is the purpose of the European recovery program and our point 4 program to assist underdeveloped areas. That is the purpose of our foreign trade program and our other measures to help build world prosperity.

These programs are positive measures to increase the strength of freedom and self-government by helping men to meet the needs and fulfill the aspirations of their daily lives.

Today, in many countries of the world, the concepts of freedom and self-government are merely vague phrases. They express little to people who are engaged in a desperate struggle with ignorance and poverty. They mean little to men who must work from sunup to sundown merely to keep alive. They are not fully understood by men who cannot read or write.

On the continent of Asia, the islands of the Far East, in Africa, in the Near East, are millions of people who live in poverty who have never known real freedom or democratic government. In their present condition, the immediate benefit of steel plowshares, or smallpox vaccinations, has more appeal than abstract ideas of democracy.

The Communists are saying that they will bring food and clothing and health and a more secure life to these poverty-stricken peoples. We know that is not true. But it is not enough to tell such people that com-

munistism is a modern tyranny far worse than that of any ancient empire. It is not enough to tell them that communism leads only to oppression. People who have never known freedom and security themselves have little basis for judging how false are the claims of communism.

These people will turn to democracy only if it seems to them to be the best way to meet their urgent needs. The benefits of freedom and democracy must be demonstrated to them.

In many of these areas there are governments which are working to improve the conditions of their people. They know that the claims of the Communists are not made in good faith. They do not want Soviet domination. If these governments are successful in raising living standards, and in building strong and stable democratic institutions based on popular support, their people will not go over to communism.

But these governments are struggling with titanic problems, as their people attempt to climb in a few years from economic misery to better standards of living. They need help. If these nations are to grow in freedom, they urgently need assistance in improving their health, their education, and their productive capacity, their transportation and their communication systems.

That is why I have requested the Congress to act as rapidly as possible on legislation to expand our programs for giving technical assistance to such countries as these, and to encourage American investment in those countries on a mutually beneficial basis. We are not trying to sell them automobiles and television sets. Our purpose is to help them grow more food, to obtain better education, to be more healthy. That is the way they can gain the physical and moral strength to be free and to maintain their own governments.

As these nations prove to themselves and

to others the effectiveness of free institutions in meeting their people's needs, they will show as nothing else can the true value of democracy and the false claims of communism.

But the problem of making free institutions work is not confined to underdeveloped areas. The highly developed nations of Europe came out of the war with serious problems of their own. They were threatened with economic chaos. Their ability to maintain freedom and democracy was challenged.

The purpose of the European recovery program was to meet this challenge in the area of the world where the preservation of free governments was of supreme importance. The results which have been achieved so far under that program have amply demonstrated its wisdom.

With the aid we have provided, the nations of Europe have already made great advances in their production and have improved their trading relations with the rest of the world. Much more must be done before they reach the firm basis of economic self-support which is essential to the maintenance of free and democratic governments. Consequently, we must complete our program of assistance. It would be utter folly to lose sight of the importance of the European recovery program. It is essential to our hopes for peace.

The preservation and strengthening of free governments depends in large measure on the creation of firm economic conditions throughout the world and on an expanding world trade. Free nations can expand their trade only on the basis of mutual respect and fair dealing.

Our reciprocal trade agreements program and the International Trade Organization

are the kind of international machinery which is necessary for increasing the trade of the world. We shall continue to use the procedures of the reciprocal trade agreements program to reduce trade barriers, but more than this is needed. That is why I have urged the Congress to act favorably on the creation of the International Trade Organization, through which the nations of the world can work together effectively to increase world trade.

This program and our other plans for international action are the practical way to move forward toward peace. They recognize that we must deal with the difficult world situation which actually exists. We must not be discouraged by difficulties and setbacks. We must not be misled by the vain hope of finding quick and easy solutions. We must move forward persistently and courageously along the hard path to peace, based on freedom and justice.

The progress we have made in this country since the days of George Washington is proof of the vitality and truth of the ideals he fought for. We must be no less firm, no less resolute, no less steadfast than he was. We move upon a greater stage than he did, but our problems are fundamentally the same problems that faced the first President of this Nation—to make democracy work and to defend it from its enemies.

George Washington sought guidance from Almighty God as he faced these tasks in his time; let us be guided today by divine providence as we strive for lasting peace with freedom and justice for all mankind.

NOTE: The President spoke at 3 p.m. at the George Washington National Masonic Memorial in Alexandria, Va.

The statue of George Washington was the work of Bryant Baker of New York City.

43 Telegram to Labor and Management Leaders in the Communications Industry Urging a 60-Day Truce.

February 22, 1950

CYRUS S. CHING, Director of the Federal Mediation and Conciliation Service, has reported to me the status of the disputes between communications workers of America, CIO, and important units of the Bell System which operate our nationwide network of telephone communications. Mr. Ching informs me that insufficient progress has been made to date in the negotiations between the parties to give reasonable promise of settlement of these disputes prior to February 24, or to give assurance of uninterrupted telephone service after that date. I need hardly describe or emphasize the great damage to the public interest and welfare which would result if these disputes are not settled by agreement.

I feel very strongly that employers engaged in the operation of public utilities and unions representing their workers have a special and extraordinary responsibility to settle their differences by agreement and without resort to economic action which may deprive the public of the benefits of essential services. The discharge of this obligation requires that in good faith, such employers and unions canvass and weigh most thoroughly all demands and counter-offers which are made in their bargaining sessions and that they consider exhaustively all possibilities for a peaceful resolution of the issues in dispute.

In many of the negotiations in progress in the current telephone disputes there has clearly been insufficient time for adequate

and full consideration of their respective positions. The parties have a duty to continue their efforts to work out a peaceful solution through the bargaining process. The special obligation and duty which applies to public utilities and the unions with which they deal cannot be satisfactorily discharged by them in the face of the impending February 24 deadline.

Accordingly, I am requesting the parties to continue work and operations, without any interruption of telephone communications in the Nation, under the wages, terms and conditions now in effect, for a period of 60 days from February 24, 1950. During that period, with the active assistance of the Federal Mediation and Conciliation Service, they should earnestly seek to resolve the current disputes through collective bargaining. Compliance with this request by the parties will demonstrate a proper regard for the public interest and welfare.

I would appreciate your advising me of your acceptance.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams sent to 44 management and labor leaders in the communications industry. Some 40 replies, agreeing to the President's request for a truce, are on file in the Harry S. Truman Library in Independence, Mo.

Labor unrest continued throughout most of 1950 and did not fully terminate until November 19, 1950. On that date the Communications Workers of America signed a 15-month pact with the Western Electric Co. and the Michigan Bell Telephone Co., affiliates of the American Telephone and Telegraph Co.

44 The President's News Conference of *February 23, 1950*

THE PRESIDENT. I have no special announcements to make. I will try to answer questions.

[1.] Q. Mr. President, is the FEPC bill which the House passed today satisfactory to you? ¹

THE PRESIDENT. I haven't seen the bill. I haven't read it, but my position on FEPC has been made perfectly plain in various messages I sent the Congress.

Q. Mr. President, this is a slightly philosophical question, because it has come up several times in the debate up there. Do you think it is possible to prohibit or legislate against racial discrimination, against people of equal aptitude in job opportunity, and still permit a man to operate his business with the right to fire and hire whom he pleases?

THE PRESIDENT. I have always thought so.

Q. Mr. President, we couldn't hear.

THE PRESIDENT. I said I have always thought so.

[2.] Q. Mr. President, Representative Durham, who is the Vice Chairman of the Joint House and Senate Atomic Energy Committee, says that he thinks the current agitation for a new approach to Russia on atomic control might be dangerous. I just wondered if you had any thoughts on that subject?

THE PRESIDENT. Well, I don't know what result he hopes to obtain. We have made

every approach possible through the regular channels, and through the United Nations, in an endeavor to reach such an agreement. And we haven't been able to reach it. I don't see any reason for what they call a new approach. They are expecting something highly dramatic, some great showpiece to take place. I don't think the matter can be settled in that manner, and I have never thought so.

Q. I don't know whether I have got his position wrong, but he says that the current agitation for such a move might be dangerous.

THE PRESIDENT. Well, I don't know about that. I don't know what he is thinking about.

Q. Didn't you say virtually that in your Alexandria speech yesterday, Mr. President?

THE PRESIDENT. Yes, I thought I made it very clear. I tried to put it in the simplest English possible in that Alexandria speech, and I think it covers the situation very well.²

Q. Has there been any sign of any new feeler from Russia, Mr. President?

THE PRESIDENT. No, there has not.

[3.] Q. Mr. President, do you plan to send another representative to the Vatican?

THE PRESIDENT. The matter has been under consideration ever since Mr. Taylor resigned, and no decision has been reached as yet.

[4.] Q. Mr. President, Congressman Biemiller of Wisconsin quoted you as saying that you and he agree that you would like to replace Senator Wiley with a Democrat this year. I wonder if that is correct?

THE PRESIDENT. Well, I am exceedingly hopeful that a great many Republicans will

¹ On February 23 the House of Representatives passed a bill (H.R. 4453) to establish a Fair Employment Practice Commission and to aid in eliminating discrimination in employment because of race, color, or creed. The Senate failed to complete action on a similar bill (S. 1728) when moves to invoke the cloture rule were defeated on May 19 and July 12, 1950.

² Item 42.

be replaced by Democrats, and of course, if Senator Wiley is up for election, that would include him. [*Laughter*]

[5.] Q. Mr. President, can you see any danger in a one-party system?

THE PRESIDENT. What's that? I don't like a one-party system. We haven't two parties now; we've got about four.

[6.] Q. Mr. President, have you decided—this action of the Senate yesterday, for an investigation into alleged subversive employees in the State Department; they voted to give the power to subpoena confidential employment and loyalty records. I wonder if you have given the departments any instructions on that?

THE PRESIDENT. I think I issued very clear instructions on that some time back. It still stands. I have told the Committee—the Foreign Relations Committee—that I would cooperate with them in every way possible to disprove false charges that have been made by Mr. McCarthy.

[7.] Q. Mr. President, what are the four parties you had in mind?

THE PRESIDENT. Well, there's the Dixiecrats—half Republican; there's the Republican Party; and there's what's left of Mr. Wallace's party; and there's a real national party, the Democratic Party. [*Laughter*]

Q. How about the Socialist?

THE PRESIDENT. Oh, they don't count.

Q. They don't count?

THE PRESIDENT. They have never had an electoral vote in the history of the country.

[8.] Q. Mr. President, are you considering any new moves in the coal crisis?

THE PRESIDENT. The coal crisis is in the hands of the courts right now, and I have no comment to make on that question.

Q. Mr. President, are you getting any reports of progress from your observers in the coal negotiations?

THE PRESIDENT. I hear from them every day.

Q. Are there any—

THE PRESIDENT. No comment will be made on the matter. It's in the courts now. I told you that to begin with. I can't comment on it. It's a matter for the courts.

[9.] Q. Mr. President, in answering that question about the McCarthy investigation, you said you told the Foreign Relations Committee that you would cooperate in any way to disprove the false charges. You mean by that any way short of delivering these records—

THE PRESIDENT. I will answer that question when it comes up. You needn't put words in my mouth—

Q. I didn't mean that at all.

THE PRESIDENT. —as I told someone else the other day.

Q. But you are not saying now, sir, that you won't give the records—

THE PRESIDENT. I am not saying anything further to what I said in my directive to the various departments, which is very clear.³

Q. That directive still—

THE PRESIDENT. That directive still stands.

Q. That was the directive, sir, in which you said not to turn over the—

THE PRESIDENT. That is correct.

Q. Mr. President, wasn't there something in that, sir, that said to refer all requests to you?

THE PRESIDENT. That is correct.

Q. That part of it still stands?

THE PRESIDENT. That part of it still stands.

Q. The subpoena would make no difference?

THE PRESIDENT. Not the slightest in the world. You can't very well—I was going to say, it's pretty hard to serve a subpoena on the President of the United States. [*Laughter*] Who is going to enforce it?

³ For the President's directive of March 15, 1948, on the need for maintaining the confidential status of employee loyalty records, see 1948 volume, this series, Item 50.

[10.] Q. Mr. President, if it is contemplated going to Grand Coulee this spring, are you going to make any speeches on the way out and on the way back?

THE PRESIDENT. Well, I have been invited to dedicate the Grand Coulee Dam, which is now finished—I think it has all the generators in, and in place. And there has been some discussion about my making a trip out there. No decision has been made on it, but I think your guess is right, that if we do go there will be some stops along the road.

Q. That was the nonpolitical trip you were referring to last week?

THE PRESIDENT. That is correct. Probably be some whistlestops on the way there and on the way back.

Q. Will that be April when—

THE PRESIDENT. No decision has been made on that yet. I have been invited. Like every other invitation that I get—and I get many every day to go somewhere—I have taken it under consideration.

Q. Mr. President, how do we tell what is political and what is nonpolitical? [*Laughter*]

THE PRESIDENT. You will have to make up your own mind on that. That is for you to decide. [*Laughter*]

Q. We didn't hear that.

THE PRESIDENT. I told her that is for her to make up her own mind on that. That is for her to decide, whether it is nonpolitical or not.

Q. You can make a political speech or a nonpolitical speech.

THE PRESIDENT. Oh yes, it can be done very nicely. Any speech I make or any statement I make is political. It doesn't make any difference whether it is made here or whether it is made in Alexandria, Va., or in New York, or on the back platform of a train.

Q. What about when you discuss the issues, Mr. President?

THE PRESIDENT. That is political, too. [*Laughter*] That is political, too.

Q. Well, when is it not political?

THE PRESIDENT. Well, here is the situation you have got to take under consideration. The speech that I made in Alexandria was on the bipartisan foreign policy. That is not supposed to be a matter for local political discussion. That is to be treated as if it was a speech like the one I made once before, which was purely a domestic political statement of my views and how they ought to be carried out. I was speaking in Alexandria for the whole country, and not for any political party.

Q. How would you define political, Mr. President?

THE PRESIDENT. Well, there are lots of definitions for it.

Q. What is yours?

THE PRESIDENT. I think I have told you that a politician is a man who understands government. Usually, if he understands it well enough and has made a reputation, as he should have, he will wind up—when he is dead—by being called a statesman. You have to have your own definition of what to call things political. It depends altogether on what your viewpoint is. If you are for it, it is statesmanlike. If you are against it, it is purely low politics! [*Laughter*]

[11.] Q. Mr. President, how would you define the speech of Senator Byrd, who called you a stumbling block to balancing the budget?

THE PRESIDENT. That is purely political. [*Laughter*]

Q. He was a statesman.

Q. What was that question, sir, we didn't get that question?

THE PRESIDENT. He wanted to know how I would define Senator Byrd's statement in yesterday's Baltimore Sun—the Sun is a great supporter of Byrd—and I said it was purely political.

[12.] Q. Mr. President, would you define that half-Republican Party some more?

THE PRESIDENT. The half-Republican Party? Well, the Republican Party is split in two. It has two wings, just like the Democratic Party does.

[13.] Q. Mr. President, have you any intention of listening in on the radio this evening to the results of the British elections?

THE PRESIDENT. I don't think it is possible to get the returns immediately. The last time the British had an election, it was 3 days before they decided to count the vote. And I think we will have to wait until the report is made by the people who count the votes. They don't count their votes like we do. They impound them and then after they have been collected they count the votes at a later time, after the election.

[14.] Q. Mr. President, do you feel that the Voice of America is handicapped by the difficulty of getting news up on the Hill?

THE PRESIDENT. Yes I do, and I think it is also handicapped by a lack of appropriations, principally.

[15.] Q. Mr. President, when you spoke about the difficulty of serving a subpoena on you, did you mean you were protected by the courts or the Secret Service?

THE PRESIDENT. I am protected by the Government of the United States. You ought to know that it has been tried. You remember a certain statement by a gentleman named Jackson? "The Chief Justice of the Supreme Court has made his decision, now let us see him enforce it." You remember that, don't you?

Q. Oh yes.

[16.] Q. Mr. President, going back to coal, Mr. Case put in a bill today to declare a national emergency.⁴

THE PRESIDENT. What's that?

Q. Mr. Case put in a bill in the House today to declare a national emergency in the coal situation, and asks the coal miners back and asks the Government to call out the National Guard to make them go back. Do you think that will do any good?

THE PRESIDENT. I have no comment on that.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and eighteenth news conference was held in his office at the White House at 4 p.m. on Thursday, February 23, 1950.

⁴ The bill was referred to the Committee on Education and Labor. It was not reported out by that Committee.

45 Radio Remarks Opening the Red Cross Campaign. *February 28, 1950*

[Broadcast from the White House at 10:54 p.m.]

General Marshall, my fellow Americans:

Tonight many of you have heard from the lips of individuals what the Red Cross has meant to them and to their loved ones.

These examples represent a few authentic reports from this great organization's files. They tell the story of the Red Cross more vividly than any statistics I could quote. These testimonials from the people translate figures and costs into good deeds. They give

new meaning to the balance sheet.

After all, the Red Cross interests itself almost solely in meeting human needs—whether the demands are in the field of disaster relief; in safeguarding health; in safety work; in providing lifesaving blood and its derivatives without charge; or in its invaluable services to our armed forces and to our veterans. Here is an agency that has become almost indispensable in our community

life today. It is a neighborly service. At the same time, its help is available to distressed people around the world.

There could be no finer testimonial to the Red Cross than the devotion it inspires in its volunteers—men and women whose sole reward is the deep satisfaction of service to others.

Tonight, 2,000,000 of these messengers of goodwill stand ready to visit your homes or your places of business tomorrow and throughout the month of March—in every city, town, and hamlet of our land. These are the campaign solicitors of the American Red Cross. Let us remember that all the workers in this voluntary army are giving not only of their funds, but of their time and energy as well. These public-spirited men and women are entitled to a hearing when they call on you.

Through your response to their appeal the Red Cross becomes your agent to do for your

less fortunate neighbors the things you would do yourself if you could be at the scene when the calamity strikes, or when the accident occurs, or when a man in uniform or an ex-serviceman needs a helping hand.

In all that it does, the Red Cross is flexible enough to provide aid which is entirely personal, yet strong enough to deal with major disasters involving hundreds of thousands of individuals.

The Red Cross belongs to the American people. It is your organization. As President of the United States, I enrolled in the Red Cross earlier today. I consider this annual enrollment a genuine privilege. In these fateful days, I ask all Americans to join in responding to a great humanitarian appeal.

NOTE: In his opening words the President referred to General of the Army George C. Marshall, President and Chairman of the Board of Governors of the American National Red Cross.

46 The President's News Conference of *March 2, 1950*

THE PRESIDENT. [1.] I have no special announcements to make, but I have been trying to work out a situation that would make it more convenient at these press conferences. I have discussed the matter with Mr. Ross, and I will appreciate it if the White House correspondents will appoint a committee to confer with Mr. Ross.

I would like to find a place to hold these press conferences where the acoustics are good and where everybody would have a fair chance to hear the questions and to recognize the one who asks the question, and also to hear the answer plainly. This situation here is not satisfactory, especially to those who happen always to get in the rear ranks.

And if you will please confer with Mr.

Ross, we will see if we can't make some plan where everybody will have a better chance at these press conferences.

Q. Bravo.

Q. Thank you, sir.

Q. Mr. President, if you have no announcements, do you agree with Senator Humphrey and Senator Lucas that the Byrd Nonessential Expenditures Committee¹ should be abolished?

THE PRESIDENT. I haven't gone into that controversy, so I can't answer intelligently.

[2.] Q. Mr. President, can you tell us about the Niagara treaty that was signed Monday by Canada and the United States,

¹ Joint Committee on Reduction of Nonessential Federal Expenditures, of which Senator Harry F. Byrd of Virginia served as chairman.

dealing with the diversion of water to falls and the creation of power there?

THE PRESIDENT. That has been under consideration for some time, and we have finally reached an agreement on it. And it has been—I think it has been sent to the Senate for ratification.²

Q. It has been?

THE PRESIDENT. It will be, if it hasn't.

Q. No delay on that, so far as you know?

THE PRESIDENT. Not that I know of.

Q. What do you think about the possibility of Federal development of that power up there?

THE PRESIDENT. Well now, you had better ask the Congress about that. I have been fighting for that for 15 years. If the Congress will perform, why, we will do the job.

Q. Is there a question between private development and Federal development?

THE PRESIDENT. Not so far as I am concerned. It is public development so far as I am concerned.

[3.] Q. Mr. President, you are having lunch today, I believe, with Dr. Li, who has been acting President of China?

THE PRESIDENT. That's right. And he is—still says he is.

Q. In what capacity is he coming in?

THE PRESIDENT. He is coming in as the acting President of China. That is the reason he was invited for luncheon.

Q. What happened to Chiang Kai-shek?

THE PRESIDENT. I am not in communication with Chiang. I can't tell you. [Laughter]

Q. He says he is going to come back on the mainland—I am not trying to get you on the spot over it, but anything interesting along that line would be—I think it would be—

THE PRESIDENT. I have nothing to say on the subject.

[4.] Q. Mr. President, there is a story

² See Item 99.

going around that after Judge Keech³ gets through with this coal case, that the Government is preparing to move in with seizure powers, and there will be a request from the Government. Is there anything on that you can tell us about?

THE PRESIDENT. No, I can't say anything about that because that matter is still pending in the courts, and I don't want to make any announcements or suggest any action until the court has had a chance to decide.⁴

Q. Mr. President, there is another report that the order for seizure has been drawn up—technical draft?

THE PRESIDENT. There has always been a technical draft of all the war powers on hand, in case it is necessary to use them. Nothing new.

[5.] Q. Mr. President, I understand the Security Council does not think much of these ideas that are going around, preparing to move the Capital. Is there anything you could tell us about that?

THE PRESIDENT. No, I have no comment on that.

Q. What do you think of it?

THE PRESIDENT. I am very well satisfied right where I am now, and I feel perfectly safe. [Laughter]

[6.] Q. Mr. President, are you considering the State Department proposal to form an interdepartmental committee to unify domestic and foreign economic policies?

THE PRESIDENT. Ask that question again. I didn't get it.

Q. There is a report that the State Department proposes to form an interdepartmental committee to consider unifying domestic and foreign economic policies?

THE PRESIDENT. That may be under consideration. It has not been put up to me.

[7.] Q. Mr. President, James F. Byrnes

³ Judge Richmond B. Keech of the U.S. District Court for the District of Columbia.

⁴ See Items 49, 50.

proposed today that we abolish the withholding tax, on the theory that tax paying is more painful and there might be emphasis on economy. I wonder if that would really help?

THE PRESIDENT. I don't know. You will have to talk to Mr. Byrnes on that. He has had a lot of experience. [*Laughter*]

[8.] Q. Mr. President, I had in mind the fact that President González of Chile is to come up here, I believe in April. Have you yet formulated or approved an itinerary, or do you have any general comment about the visit?

THE PRESIDENT. No, he will be treated as all these heads of states are. Whatever he chooses to see and examine. We will furnish him with all the hospitality this country can furnish—as we always furnish it.

Q. You are looking forward to his visit?

THE PRESIDENT. Oh yes, he has already accepted the invitation.

Q. I don't know when it would be.

THE PRESIDENT. April 12th, I think, is the date.

[9.] Q. Mr. President, you have mentioned seizure of the coal mines. Do you still have any of your war powers—

THE PRESIDENT. No.

Q. All expired?

THE PRESIDENT. All expired.

Q. Mr. President, would that apply also to your inherent powers?

THE PRESIDENT. No—fine line to be drawn—we will cross that bridge when we come to it.

Q. Mr. President, Henry Ford says the situation is so serious that the country will be closed down—he makes it very sweeping, 2 weeks—if these coal strikes continue. Do you think that the situation is that serious?

THE PRESIDENT. I can't answer that question. I don't know whether it is or not. I know the situation is very serious. It is an emergency. And that is what the law

provides, that in case of an emergency we have to consider certain procedures. We have been following the law to the letter trying to enforce it.

Q. Mr. President, is this the first time that you have said to us that it is an emergency?

THE PRESIDENT. No, it is not. I announced an emergency when I appointed the board. It requires the announcement of an emergency, and that board has to find an emergency before the court can act.

[10.] Q. Mr. President, there has been quite a lot of criticism lately that the economies in the Defense Department have weakened our defenses dangerously. Could you comment on that?

THE PRESIDENT. I don't think that is true. I don't think there is a word of truth in it. You can speculate on anything you like, but I think you will find that the national defense situation is in better shape than it has ever been in times when we were not at war.

[11.] Q. Mr. President, there have been some reports recently that you plan to turn over the loyalty reports to the committee making that investigation. Can you tell us something about that?

THE PRESIDENT. I think I made the statement here the other day that I was perfectly willing to cooperate with the committee in furnishing them with information. We will cross the loyalty file business when we get to it.

But just for your information, if people really were in earnest and had the welfare of the country at heart, and they really thought that somebody in the Government was not loyal or did not do his job right, the proper person with whom to take that up is the President of the United States.

And the President of the United States is the only one who has taken any concrete action on any of these things. The appointment of this loyalty board, and the screening of employees when the word got around

that there might be some disloyal ones among the employees in the Government, was done by the President.

The prosecution of the Communists in this country for disloyalty and sabotage has been carried on at the direction of the President. I don't think anybody else has made any concrete endeavor to get to the bottom of this thing except the President of the United States and the executive branch of the Government.

[12.] Q. Mr. President, the civil rights conference here—to which you sent a note of greeting—wound up by adopting a resolution asking you to appoint a commission to make a thorough study of the establishment of civil rights, particularly as affecting—civil liberties—particularly as affecting the loyalty program. Do you plan—

THE PRESIDENT. As affected by what?

Q. By the loyalty program.

THE PRESIDENT. I think that the loyalty program was worked out with civil liberties in view. And I think if you will follow the procedure that was followed by the loyalty investigations, you will find that nobody's civil liberties have been infringed, and nobody's civil liberties will be infringed. I think I made that perfectly clear when I was talking to the district attorneys and the law enforcement officers who were here the other day. If you will read the speech,⁵ I think you will get the fundamental basis on which I am trying to uphold the Bill of Rights. That is one of the most important—I think *the* most important part of the Constitution of the United States.

[13.] Q. Mr. President, yesterday Senator Harry F. Byrd suggested that he would turn over his salary in order to balance the budget. Have you any comment on that?

THE PRESIDENT. That is a very liberal gesture on the part of the Senator. [*Laughter*]

⁵ Item 37.

Pete⁶ has been trying to ask a question.

[14.] Q. Do you think Senator McMahon's proposals on the conference are feasible?⁷

THE PRESIDENT. I have no comment on that, Pete.

What was your question?

Q. That was part of mine. I wondered if you are going to Moscow soon to—

THE PRESIDENT. I think I made it perfectly plain that I am not going to Moscow ever. The door is open here for anybody that wants to come to this country, but I am not going to Moscow.

Q. That is a perfectly plain answer, but may I make an amendment in addition to Pete's question? McMahon is apparently trying to do something along the line that you have suggested through the United Nations—

THE PRESIDENT. That is correct.

Q. —and if he does such a thing, would you object to it?

THE PRESIDENT. Why certainly not—certainly not. I will object to nothing that will contribute to the peace of the world. I will cooperate wholeheartedly with anything that will contribute to the peace of the world. I think I have made that perfectly plain all the time.

Q. Yes.

[15.] Q. Mr. President, would you accept an invitation from the President of Chile to come down there?

THE PRESIDENT. Well, I would like to, very much, but I can't accept right now, definitely.

Q. I believe there is to be a power project that has been built by American money dedicated down there in the spring?

⁶ Raymond P. Brandt of the St. Louis Post-Dispatch.

⁷ Senator Brien McMahon of Connecticut had proposed that the United Nations General Assembly hold a meeting in Moscow.

THE PRESIDENT. So I understand.

Q. That would be the occasion that they would want you to come?

THE PRESIDENT. I can't make any commitments for any trips away from Washington at the present time.

[16.] Q. Mr. President, have you decided on a trip in May over to Chicago and the Midwest?

THE PRESIDENT. That is under contemplation, but when the decision is made, why it will be announced in plenty of time so that you can get your grip packed. [Laughter]

[17.] Q. How did you interpret the British elections?

THE PRESIDENT. I didn't interpret it—[laughter]—plenty of people that will do that for me.

[18.] Q. Mr. President, the real estate lobby seems to have launched a new campaign to end rent control by June 30th. Do you have anything to say about that?

THE PRESIDENT. I had my say about that in the Message to Congress on the State of the Union. I am still behind that message.

[19.] Q. Mr. President, when you said you weren't going to Moscow ever, you mean in connection with the present series of problems?

THE PRESIDENT. I mean that I will never go to Moscow while I am President of the United States. That make it perfectly plain? I hope I will have a chance to go there when I get through being President. [Laughter] I would like to see the place.

Q. Any idea when that might be, Mr. President?

THE PRESIDENT. Well—[more laughter]—your guess is as good as mine.

[20.] Q. Mr. President, do you have any comment on the sentencing of Dr. Fuchs?⁸

THE PRESIDENT. No comment.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and nineteenth news conference was held in his office at the White House at 10:30 a.m. on Thursday, March 2, 1950.

⁸ Dr. Klaus Fuchs, German-born official of the British Government's atomic energy establishment, who was sentenced on March 1 to 14 years in prison for disclosing atomic secrets to the Soviet Union.

47 Letter to the Chairman, House Committee on Education and Labor, on Federal Aid to Education. March 2, 1950

Dear Chairman Lesinski:

I have received your letter of March first, and the enclosed resolution with respect to Federal aid to education that was adopted by the Committee on Education and Labor.

The text of that resolution as transmitted to me is as follows:

"RESOLUTION

"WHEREAS the Committee on Education and Labor of the House of Representatives in no way wants to report legislation that might lead to Federal Control of the schools

of America; and

"WHEREAS the United States Office of Education is a department within the Federal Security Agency and this committee has had no assurance from the President that the Commissioner of Education will have, by Presidential authorization, sole jurisdiction over the administration and conduct of all provisions of any act on Education that might be reported out of committee without interference from the Administrator of the Federal Security Agency or any of his appointed assistants; and

"WHEREAS this Committee requests this

assurance in all good faith and sincerity so that in no manner in the years to come could their consideration of Federal Aid to Education be construed to mean that they supported legislation that might lead to Federal Control of the schools of America; Therefore be it

“RESOLVED, That the Committee on Education and Labor of the House of Representatives will not report any bills pertaining to Federal Aid to the Public Schools of America until the President of the United States submits a statement to said Committee clarifying the authority and re-defining the duties of the United States Commissioner of Education with regard to all functions of the administration of school laws—and that the President inform the Federal Security Administrator of this clarification.”

According to this resolution, the Committee on Education and Labor is opposed to Federal control of the schools of America. I, too, am opposed to Federal control of the schools. I have so stated many times, and that continues to be my position. The governments of the states, the schools of America, the citizens who have responsibility for the welfare of our educational system are also opposed to Federal control of the schools of America. The Senate of the United States, when it passed a bill to provide for Federal aid to education, made it perfectly clear that it was opposed to Federal control of the schools, and the terms of that bill are explicit in prohibiting Federal control of the schools. On this question, there seems to be general agreement.

The resolution you have transmitted to me proceeds, however, by a process of reasoning which I do not follow, to relate this principle of freedom from control to the position of the Office of Education in the Federal Security Agency. If there is to be no Federal control in any case, I fail to see how any Federal control can grow out of any possible

relationship between these two offices.

When I say I am opposed to Federal control of the schools, I mean I am opposed to control by any officer or department of the Federal Government, whether it be the United States Office of Education, the Federal Security Agency, or any other bureau or official. I, therefore, do not understand how the relationship between any of these offices or agencies is of any relevance to the problem of keeping the schools of America free of Federal control.

The relationship between these offices and agencies is of importance in increasing efficiency and effecting economies in the operation of the Federal Government. In my recommendations for the organization and reorganization of the Federal Government, I shall continue to be guided by these principles of greater efficiency and economy. I believe that these principles have the support of the Congress and the great majority of the people.

The task before the Committee on Education and Labor is to consider the need for Federal assistance to the schools, and the ways of meeting it, and then to devise a program which will, among other things, prevent all Federal officers who may have anything to do with its administration from exercising a control over matters which, we are all agreed, should be left to the States.

The Commissioner of Education, the Federal Security Administrator, or other officers of the Government cannot and will not do more than to exercise the functions and carry out the duties imposed by law on the Executive branch. This will be true in the case of Federal aid to education, if such aid is authorized, as it is in all other matters.

I see no reason why detailed questions of administrative organization should delay or impede the Committee in considering and acting upon the problem of Federal aid to education. I have long recommended the

creation of a new department which will include the present Office of Education and other governmental functions in the field of education, health, and welfare. I have recommended that this department be organized in accordance with the best principles of administrative management, which require a degree of responsibility in the department head sufficient to reduce the number of inter-bureau controversies and issues that require Presidential attention.

I do not see any reason to depart from these principles at this time. They will not in any way increase the powers of any Federal officer over our schools if the Congress performs its task, as I am sure it will, of devising and enacting a satisfactory system of Federal aid based upon the concept that the control of education rests with the states.

The schools of the country are laboring under increasing burdens, and the need of Federal action to protect our children from the growing blight of poor and inadequate education is ever more pressing.

I sincerely hope that your Committee will soon complete favorable action on legislation of this character. I am sure that I can count on your support to this end.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable John Lesinski, Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.]

NOTE: The President referred to a bill (S. 246) providing for Federal aid to elementary and secondary schools, passed by the Senate on May 5, 1949, and under consideration by the House Committee on Education and Labor at the time of his letter. The bill was not reported out by the House Committee.

48 Remarks to a Group From the Ninth Annual Science Talent Search. *March 2, 1950*

WELL, it is a pleasure to have you here, and I appreciate Mr. Davis bringing you in. You have a career before you that is absolutely essential to the welfare of this great Nation of ours.

The development of brains is much more important and much more necessary than the development of brawn, although we need both. We must have a good healthy body if we are going to have a good healthy mind. I believe in that sincerely.

I am glad that you are prizewinners, and I hope you will continue your studies, as

Mr. Davis says, to be of some practical use to this great country with scientific developments for peace and for the welfare of the world. That is what we are working for most.

NOTE: The President spoke at 12:05 p.m. in his office at the White House. In his opening words he referred to Watson Davis, Director of Science Service, who conducted the talent search for Westinghouse Electric Corporation.

The group was composed of 40 young men and women from 15 States. All were winners of Westinghouse Science Scholarships awarded by the Corporation.

49 Special Message to the Congress on the Coal Strike. *March 3, 1950*

To the Congress of the United States:

I wish to report to the Congress on the emergency confronting the Nation as a result

of a shortage of coal, and to recommend legislative action.

Since February 6, 1950, the production of

bituminous coal has been dangerously curtailed. By now, stocks of coal are almost exhausted, and many parts of our country face crisis conditions. The anthracite coal which is being produced, and the trickle of soft coal output, together have been enough to stave off human suffering. But the lack of normal production of soft coal is bringing many basic industries to a halt.

A variety of emergency measures have been taken in recent days and weeks. Transportation and utility services have been cut down. Available supplies in many localities have been redistributed in order to meet the most urgent needs. Other steps have been taken by States and cities, by industries and by suppliers, to conserve the dwindling stocks of coal. These efforts have stretched our national stockpile, but they cannot add to it. Within a very few days we shall be virtually out of soft coal. The danger to the national health and safety is real and immediate. It requires action at once.

The immediate reason for the curtailment of bituminous coal production is a dispute between most of the mine operators and the principal union of mine workers, the United Mine Workers of America, over the terms and conditions of employment in the mines.

The previous contract between the union and the operators expired June 30, 1949. In subsequent months, the mines operated intermittently, while negotiations for a new contract were under way. But these negotiations failed to produce agreement, and the miners went on strike on February 6, 1950.

On January 31, in an effort to avert this situation, I asked the operators and the union to agree to continue production, in the national interest, for 70 days, while a fact-finding board reviewed the issues and recommended fair and reasonable terms for settlement of the dispute. While this request was accepted by the operators, it was rejected by the union.

Thereafter, when negotiations were broken off and the strike occurred, I established a Board of Inquiry under the Labor Management Relations Act, 1947. It was this Board's duty, under the law, to find the facts and to report them, but not to make recommendations.

The Board reported to me on February 11. It found that during all the months of negotiation, neither side had bargained freely and effectively on the essential issues in dispute. The Board also expressed a conviction which deserves emphasis today. The Board concluded that "The obligation entrusted to the Operators and to the Union, as the agent of the employees, to serve in a joint stewardship of these vital resources must be met. The health and safety of the Nation demand this."

On the basis of the Board's findings, along with the other evidence available, the Attorney General on February 11, at my direction, requested the United States District Court for the District of Columbia to enjoin the union from continuing the strike and to order both parties to bargain in good faith. That same day, the Court issued a temporary restraining order to accomplish these purposes.

As a result, the parties renewed bargaining negotiations on February 15. The Board of Inquiry was reconvened and met repeatedly with the parties, in cooperation with the Director of the Federal Mediation and Conciliation Service, in an effort to bring about agreement.

But while negotiations have continued, the miners have not returned to work. On February 20, the Attorney General started proceedings against the union, charging that it had not obeyed the order enjoining the continuance of the strike, and that it was therefore in contempt of court. This action was taken in light of the fact that the work stoppage was still under way nine days after the Court's order. On March 2, the Court

found that the union was not in contempt.

It is evident that the order of the Court has not brought forth production. The mines are still shut down. Events since the issuance of the Court's order on February 11 give us no assurance that Court action under present law can, in fact, end the work stoppage in time to avert exhaustion of our coal supplies.

The Nation's welfare requires that soft coal production be resumed at once, in order to prevent human suffering and disastrous economic dislocation. Since the union and the operators have failed to resume production, and since recourse to the Court has so far proved ineffective, it is now my plain duty to propose further action. Therefore, I recommend that the Congress enact legislation authorizing the Government to take over the coal mines and operate them temporarily as a public service.

The parties are continuing their negotiations, and I earnestly hope that they will reach agreement before it actually becomes necessary for the Government to take possession of the mines. But we can wait no longer to prepare ourselves with the necessary legislative authority.

I am submitting at this time a draft of legislation to accomplish this purpose. I earnestly request that the Congress consider this proposal and enact the needed legislation as quickly as possible.

In requesting this legislation, it is my purpose and intention to restore the production of badly needed coal. During the period of Government possession of the mines, the owners should receive fair and just compensation for the use of their property, and the miners should receive fair and just compensation for their work. The proposed legislation would authorize the establishment of impartial boards to make recommendations concerning fair and just compensation for the use of the property of the mine owners and

for the work of the mine employees.

I am not requesting this legislation as a means of settling the issues in dispute between the operators and the union. They will have to settle their differences through their own collective bargaining, just as though Government operation were not in effect. I do not propose to substitute the Government's representatives for the private operators at the bargaining table. It will not be our purpose to establish wages, hours, or working conditions which would bind either the operators or the miners upon resumption of private operations. When the country can be assured of sufficient supplies of coal, the Government will have no need to continue public operation and the mines will be promptly returned to private hands.

I have stressed these essential elements in the plan for Government operation, so that there will be no misunderstanding of the legislation I am recommending. The draft bill which I propose for consideration is necessarily quite general, so that the Government may adapt the details of its operations to changing circumstances. But while the legislative language can best be framed in general terms, there should be no mistaking the contemplated relationships of the Government with the operators and the miners during the period of public operation.

There are other issues in this emergency than the Nation's urgent need for coal. This crisis raises vital questions for the future of the coal industry.

We have arrived at the present impasse because both the operators and the union have failed, month after month, to make the efforts in genuine bargaining which could result in a mutually satisfactory settlement. They have been unwilling or unable to lay aside their charges and counter-charges, moderate their fixed positions and undertake serious negotiation in a spirit of accommodation and mutual understanding.

They have been unwilling or unable to do so despite the country's desperate need, despite the growing distress of the idle miners and their families and the economic losses incurred by idle facilities, despite the competitive advantage which their long dispute is giving to other fuels.

Fortunately, this dangerous breakdown in the normal course of labor-management relations does not characterize most industries in this country. On the contrary, collective bargaining has generally produced sustained production and mutual benefits, without these serious consequences for the public and this need for extreme governmental action.

But the coal industry has failed signally to solve its own problems in the field of labor-management relations. The current failure is only the latest of a series which stretches back over many years, recurring with disheartening regularity. We can only assume that if this industry continues as it has been going, we shall be faced repeatedly with situations of this kind. We shall be forced every so often into governmental action of one kind or another—action which cannot solve the underlying problems or remedy the failures of the private parties, but which is necessary to shield the public from their consequences.

These recurrent breakdowns between labor and management in the coal industry are only symptoms of profound and longstanding economic and social difficulties in which the industry has become involved. We can hope to work toward real solutions of the unstable relations between labor and management in the coal mines, only if we come to grips with the problems which foster instability.

I further recommend, therefore, that the Congress establish a commission of inquiry, including members from the Congress, the Executive Branch, and the public, to make a thorough study of the coal industry, in

terms of economic, social, and national security objectives. The draft of legislation which I am submitting at this time does not include provisions for establishing such a commission. However, I expect to submit a draft of legislation for that purpose to the Congress at an early date.

Management in this industry is confronted by declining markets, severe competition, and the high cost of efficient, modern equipment. Labor faces arduous work, a harsh physical environment, an uncertain work year, and the prospect of fewer jobs. The Nation needs an assured supply of coal at all times, and readily available reserves to buttress our national security.

It is essential that the commission examine carefully and factually each one of these conditions, probing the realities behind them and taking stock of our national needs and resources, human and material. We should then be able to determine what kinds of actions and what sorts of policies on the part of Government, management, and labor, will restore the coal industry to economic health and provide a stable environment for constructive relationships between the operators and their employees.

This is the real challenge of the present situation. It is a test of our ability to find a way to achieve adequate production of a raw material basic to our national life, while preserving the fundamental values of our free institutions. Both our friends and our detractors in the rest of the world are watching to see how our democratic society will meet this challenge.

The coal industry is a sick industry. Temporary seizure by the Government, though it may be necessary under present circumstances, cannot produce a cure. I am recommending seizure authority because I believe we now have no alternative. But I urge that it be accompanied by a positive and constructive effort to get at the root of the

trouble. This is in the interest of the men who work the mines. It is equally in the interest of their employers. Above all, it is in the interest of the American people.

I urge the Congress, therefore, to act immediately on legislation to authorize the Government to take possession of and operate the mines, and then to turn its atten-

tion to legislation looking toward a solution of the basic difficulties of the coal industry.

HARRY S. TRUMAN

NOTE: The draft bill, transmitted with the President's message, is printed in House Document 492 (81st Cong., 2d sess.).

See also Items 27, 35, and 50.

50 Letter to the President of the Senate and to the Speaker of the House Transmitting Bill for the Establishment of a Commission on the Coal Industry. *March 7, 1950*

Dear Mr. ———:

In my message of March 3, 1950, to the Congress, I urged the Congress to act immediately on legislation to authorize the Government to take possession of and operate the coal mines. I submitted with that message a draft of a bill appropriate for carrying out that recommendation.

Since my message to Congress, the representatives of the miners and the representatives of the operators have negotiated a new contract and the miners are returning to work. The emergency situation which was the basis of my request for seizure authority no longer exists, therefore, and, accordingly, it is not necessary for the Congress to give further consideration to such legislation at this time.

I also recommended in my message of March 3 that the Congress establish a commission, including members from the Congress, the Executive Branch, and the public, to make a thorough study of the coal industry in terms of national economic, social, and security objectives, and to recommend positive and constructive solutions for the basic problems of that industry. I stated that I expected to submit a draft of legislation for that purpose to the Congress at an early date.

Pursuant to this statement in my message of March 3, I attach for the consideration of the Senate (House of Representatives) a draft of legislation to establish a commission on the coal industry. The end of the coal strike has in no way diminished the need for a long-range study of the coal industry with the view of finding and putting into effect the best solutions of its problems from the standpoint of the miners, the operators, and, above all, the national interest. I, therefore, hope that the Congress will enact legislation of this character as soon as possible.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

The draft bill proposed a 9-member commission to be made up of two Senators, two Representatives, and five members to be named by the President. The proposal was studied by the Senate Committee on Interior and Insular Affairs, but it was not considered by the House.

The 8-month controversy in the coal industry ended on March 5 with the signing of a new contract between the mine operators and the miners, represented by the United Mine Workers of America. The new agreement provided that the miners receive 70 cents more a day, and increased by 10 cents a ton the operators' payments to the miners' welfare fund.

See also Items 27, 35, and 49.

51 Statement by the President on the Record of the Home Owners' Loan Corporation. *March 9, 1950*

THIS OCCASION marks another step in the successful completion of the work of the Home Owners' Loan Corporation. It has already paid off the last of its \$3,500 million of bonded indebtedness. It is now making its first repayment, of \$26 million, to the United States Treasury on the \$200 million advanced by the Government in 1933 as capital stock.

Today the HOLC is over 95 percent liquidated. Through earnings on its loans, it has paid its own administrative expenses, and offset the real estate losses which it had to meet. It is now expected that when the HOLC is fully liquidated, the Treasury will have been repaid its capital advance in full, plus a surplus of several million dollars.

The Home Owners' Loan Act was one of the emergency measures passed during the first days of the Democratic administration in 1933. Foreclosures on city homes were then running at the rate of 1,000 every day.

In 3 years the HOLC refunded the overdue mortgages of more than 1 million families with long-term loans at lower interest rates. These loans, with later advances, amounted to nearly \$3½ billion.

Not only did these funds save families from foreclosure. At the same time, they enabled banks, insurance companies, savings and loan associations and other real estate investors to exchange defaulted mortgages for \$2¾ billion in cash and Government bonds. This new life blood saved many hundreds of financial institutions—permitting them to pay off their depositors or investors as necessary and to remain in business.

Furthermore, the HOLC program aided city and town governments in meeting their payrolls and keeping up their essential services. As payment for the overdue taxes of

HOLC borrowers, local governments received nearly half a billion dollars in less than 3 years.

In all these ways the HOLC program was an outstanding example of the intelligent investment of public funds to meet urgent depression needs—helping to save homes, businesses, and local governments from the disastrous effects of widespread unemployment and loss of income.

The families whose homes were saved were encouraged to hold on to their properties and repay their loans. In the depression years, they scrimped and sacrificed to meet their monthly payments; in later years, when times were better, they often made payments in advance—many paying off their debts in full far ahead of schedule.

When the HOLC was started some people expressed the fear that the experiment of direct Government lending to homeowners in default on their mortgages and taxes might cost the Treasury huge losses. But those who supported the program had faith in the future. They knew that through vigorous public and private action the downward spiral of depression could be reversed, and that these loans would be sound assets which would be repaid in full. That is what happened.

The record of the Home Owners' Loan Corporation illustrates a lesson that has been proved time and time again in recent years. It is that by wise use of its powers, the Government can engage in broad programs of social benefit—and conduct them efficiently and without waste of public funds.

The Home Owners' Loan Corporation was successful in terms of dollars and cents. But, much more important, it was successful in terms of human values—in helping hundreds of thousands of families to maintain

themselves as self-reliant homeowners, secure in their hard-earned property, and free of the threat of eviction through no fault of their own.

We should all be proud of this demonstration of bold and constructive Government action for the good of the whole country.

52 The President's News Conference of March 9, 1950

THE PRESIDENT. I have no special announcements to make this afternoon. I will try to answer questions.

[1.] Q. Mr. President, may we take the appointment of Martin Hutchinson to the Federal Trade Commission as an indication of a trend; that is, of more top-level appointments among southern Truman men?

THE PRESIDENT. Why, I don't know whether to take it as a trend or not. I expect to appoint people on whose qualities and qualifications I can depend.

Q. Can you find some more down South?

THE PRESIDENT. I believe I can. I am very sure I can. [*Laughter*]

[2.] Q. Mr. President, Ambassador Bay, Ambassador to Norway, was in to see you today. Is he going to be the new Chairman of the National Security Resources Board?

THE PRESIDENT. No. He is Ambassador to Norway, and he is going to stay Ambassador to Norway.

Q. Mr. President, what is the progress on the National Security Resources Board?

THE PRESIDENT. I beg your pardon?

Q. What is the progress on the National Security Resources Board?

THE PRESIDENT. One of these days I will make an announcement to you, and you will know all about it.

[3.] Q. Mr. President, when you are out West, are you going to do any campaigning in California for Senator Downey or his rival?

THE PRESIDENT. I have no intention of going to California.

Q. Mr. President, on the Western trip, Secretary Chapman said this morning that he expected you to go out to Grand Coulee, and possibly also to the dedication of a dam in Wyoming?

THE PRESIDENT. That trip has been only in the discussion stage. We hope to get it arranged for the first part of May, if that is possible. As soon as definite arrangements are made, why, I will announce it to you so you can have plenty of time to pack your grips.

Q. Is it your hope to take in the Chicago meeting also on the same trip?

THE PRESIDENT. There has been some talk on that subject.

Q. Is it definite—

THE PRESIDENT. Nothing has been definitely arranged.

Q. Is it definite yet, Mr. President, on the Chicago stop?

THE PRESIDENT. No. All this is tentative. As soon as we have the thing sewed up, why, I will announce it to you in a form that you will understand every word of it, so that you will have plenty of time to get ready.

Q. Mr. President, just to clarify my thinking on that—[*laughter*—when you said that you are not going to California, does that rule out the November campaign in California?

THE PRESIDENT. I have no intention of going to California.

Q. You don't rule out the November campaign?

THE PRESIDENT. No, not necessarily.

[4.] Q. Mr. President, there is to be a meeting of the Inter-American Economic and Social Council here March 20, apparently with general representation from Latin America and a very active interest in the point 4 program, among other things. Has this conference required your official attention, or do you wish to make any observations about it?

THE PRESIDENT. No. No, I do not.

Q. Any chance of your speaking at that meeting, sir?

THE PRESIDENT. I hardly think so. If it is, it will be a long-distance speech. [*Laughter*]

[5.] Q. Mr. President, would you care to comment on the suggestion of Governor Luis Muñoz Marín, to permit the people of Puerto Rico to adopt their own constitution?

THE PRESIDENT. I have no comment on that.

[6.] Q. Mr. President, any new nominations in mind for the Atomic Energy Commission?

THE PRESIDENT. No. If I have them, I will announce them to you in the beginning.

Q. There is a report that there is no intention of filling the full membership. Is that—anything to that?

THE PRESIDENT. I haven't heard it. But you can hear anything—you can hear all sorts of rumors about anything you want to start. This is the best rumor town in the world. But I hadn't heard that one. That's a new one.

Q. What do you think of Senator Tyding's idea for one military but not more than two military men in regular service on that Commission?

THE PRESIDENT. I think that was settled by the 79th Congress, and then, you know, it was somewhat balled up by the 80th Congress; but that ruling of the 79th was my

recommendation and still stands—civilian control of atomic energy.

[7.] Q. Mr. President, recently quite a good many European leaders expressed agreement with the idea of integration and unity of Europe. I wonder if you had read those statements, and whether you would comment—

THE PRESIDENT. Yes, I have, and I am very much pleased with the attitude of the European correspondents and editors who have been writing those articles. I think they are on the right track.

[8.] Q. Mr. President, has Congressman Sabath sold you on the idea of the Gossett-Lodge amendment?

THE PRESIDENT. I didn't understand the question.

Q. Congressman Sabath is opposed to the idea of the Gossett-Lodge amendment, changing the method of election of a President? ¹

THE PRESIDENT. Yes, I think he is opposed to it, but he told me the other day he was going to get a rule and let the House vote on it, which I hope he will do.

[9.] Q. Mr. President, what do you think about the House action in approving statehood for Alaska and Hawaii?

THE PRESIDENT. I recommended it to them three different times.

Q. You are still for it?

THE PRESIDENT. Why certainly! Can't change the Message on the State of the Union that quickly. [*Laughter*]

Q. Well, one of my editors wanted me to say it over again. [*More laughter*]

THE PRESIDENT. That's all right—that's all right.

[10.] Q. Mr. President, the House Judiciary Committee delayed a vote on the civil rights bill. I wonder if you plan to ask the chairman to bring that out?

¹ See Item 29 [18].

THE PRESIDENT. I have been urging that that be brought out for—let me see—it has been about 5 years now, hasn't it? I am still urging it.

[11.] Q. Mr. President, there is a dispute in the House Labor Committee on Federal aid to education. There are two groups that seem to be for the general idea, but are conflicting in the nature of the bill. One of them—

THE PRESIDENT. I can't settle details and arguments—

Q. I was going to ask whether you are for the Senate bill?

THE PRESIDENT. —I can't settle details and arguments between legislators as to how a bill is to be worded. I have expressed my opinion time and again on aid to education, and that opinion still stands as it was in the message each time.

[12.] Q. Have you any observations on Senator McCarthy's charges?

THE PRESIDENT. Well, no, I have no observations to make on it. I think the Senate committee is handling the situation very well.

[13.] Q. Mr. President, has the chairman of the Educational Labor Committee in the House assured you, like Mr. Sabath, that he would get the bill out?

THE PRESIDENT. He has been in touch with me that he is sure to get the bill out ever since the Senate bill went over to the House. I haven't had a recent conversation with him on the subject individually.

[14.] Q. Mr. President, do you have any observations on the British elections, now that it has—

THE PRESIDENT. No, I haven't. That is the business of the British. I have no comment to make on their internal private affairs.

[15.] Q. Mr. President, there were reports a year or so ago, after a certain Navy ship went to Cuba, of various people aboard being seasick. Are any precautions being taken for the cruise next Sunday?

THE PRESIDENT. The "Doc" suggested a new medicine which he said is very good, so it will be available.

Q. Is it liquid? [*Laughter*]

THE PRESIDENT. Well, it's a kind of tablet, about as big as your thumbnail. That could be followed by certain liquid refreshment. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're entirely welcome.

NOTE: President Truman's two hundred and twentieth news conference was held in his office at the White House at 4 p.m. on Thursday, March 9, 1950.

53 Special Message to the Congress Summarizing the New Reorganization Plans. *March 13, 1950*

To the Congress of the United States:

I am today transmitting to the Congress 21 plans for reorganization of agencies of the Executive Branch. These plans have been prepared under the authority of the Reorganization Act of 1949. Each is accompanied by the message required in that Act.

Our ability to make such comprehensive recommendations is due in large part to the outstanding work of the Commission on

Organization of the Executive Branch of the Government. The plans which I am transmitting are all designed either to put into effect specific recommendations of the Commission or to apply principles set forth by the Commission in its reports.

When these plans become effective, we shall have acted on almost half the proposals made by the Commission on Organization. I expect to transmit additional plans for

putting into effect other recommendations of the Commission later in the present session of Congress.

The 21 plans I am transmitting today are designed to accomplish the following purposes:

Plans 1-6 transfer to the heads of six departments the functions and powers now conferred by law on subordinate officials. The six departments affected are Treasury, Justice, Interior, Agriculture, Commerce, and Labor.

Plans 7-13 fix responsibility for the day-to-day administration of seven regulatory boards and commissions in the chairmen of these bodies rather than in the members collectively. The agencies affected are the Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, Securities and Exchange Commission, Federal Communications Commission, National Labor Relations Board, and Civil Aeronautics Board.

Plans 14 and 19 transfer two functions to the Department of Labor from other Government agencies.

Plans 15-18 and 20 transfer certain functions to and from the General Services Administration in order to round out the organizational pattern of this agency, which was created last year.

Plan 21 transfers the functions of the Maritime Commission to the Department of Commerce, where they are reconstituted in a Federal Maritime Board and a Maritime Administrator.

The first 13 plans all have the same objective—to establish clear and direct lines of authority and responsibility for the management of the Executive Branch. The heads of departments and the Chairmen of regulatory bodies will be made clearly responsible for the effectiveness and economy of Governmental administration and will be given corresponding authority, so that the

public, the Congress, and the President may hold them accountable for results in terms both of accomplishments and of cost.

The Commission on Organization placed great stress upon the establishment of clear lines of authority and responsibility. This was, in fact, the very first of its recommendations. The opening three paragraphs on the first page of its initial report read as follows:

"In this part of its report, the Commission on Organization of the Executive Branch of the Government deals with the essentials of effective organization of the executive branch. Without these essentials, all other steps are doomed to failure.

"The President, and under him his chief lieutenants, the department heads, must be held responsible and accountable to the people and the Congress for the conduct of the executive branch.

"Responsibility and accountability are impossible without authority—the power to direct. The exercise of authority is impossible without a clear line of command from the top to the bottom, and a return line of responsibility and accountability from the bottom to the top."

Again, in its report on regulatory agencies, the Commission made the centering of administrative responsibility its first recommendation, writing as follows:

"Administration by a plural executive is universally regarded as inefficient. This has proved to be true in connection with these commissions. . . . We recommend that all administrative responsibility be vested in the chairman of the commission."

Through these plans, authority placed by law in subordinate officials is transferred to the heads of the six departments. In the case of the State and Post Office Departments, comparable authority was placed in the department heads by legislation and reorganization action effected last year.

Another feature of the departmental plans

is the establishment of Administrative Assistant Secretaries in each of these six departments. These positions are established in order to provide top-level assistance to each department head in the heavy managerial responsibilities of his office. They are set up within the classified civil service for the purposes both of achieving continuity in office and of obtaining persons with the greatest experience in the specialized functions of management.

In regard to the regulatory agencies, the plans distinguish between two groups of functions necessary to the conduct of these agencies. One group includes the substantive aspects of regulation—that is, the determination of policies, the formulation and issuance of rules, and the adjudication of cases. All these functions are left in the board or commission as a whole. The other group of functions comprises the day-to-day direction and internal administration of the complex staff organizations which the commissions require. These responsibilities are transferred to the chairmen of the agencies, to be discharged in accordance with policies which the commissions may establish. The chairman is to be designated in each agency by the President from among the Commission members.

In plan No. 12, unified responsibility is once more established in the National Labor Relations Board by transferring to the Board and its Chairman the functions of the General Counsel and by abolishing the statutory office of the General Counsel. This plan will bring to an end the confusion which has resulted from divided responsibility.

The changes embodied in the first 13 plans are fundamental to the sustained drive we have undertaken to increase effective and economical management of the Executive Branch. Only by placing in the heads of departments and agencies the authority necessary to direct and supervise the machinery

of the Executive Branch can the maximum benefit be attained from the reorganization and reassignment of the functions which make up that branch.

The 8 remaining plans propose reassignment of certain functions. They will take us further toward the goal of grouping the programs of the Government in the smallest practicable number of departments and agencies organized according to major purpose.

Transfer of the functions of the Maritime Commission to the Department of Commerce through plan No. 21 will mark a long step forward in the integration of the many Governmental programs affecting transportation. This step, again, is in accord with the recommendations of the Commission on Organization of the Executive Branch.

For more than a decade, the Department has been in the process of becoming the major transportation agency of the Government. The establishment of the Civil Aeronautics Administration within the Department was the first major move in this direction. The transfer of the Weather Bureau to the Department was based in large part on that Bureau's importance to transportation. One of the reorganization plans which I transmitted to the Congress last year transferred the Bureau of Public Roads to the Department. Now, with the addition of the functions of the Maritime Commission, the Department will have jurisdiction over the major portion of the operating aspects of the programs of the Government relating to air, highway, and water transportation, as well as over the development and coordination of policies affecting the Nation's transportation system as a whole.

Plan No. 21 establishes in the Department of Commerce a three-man Federal Maritime Board and a Maritime Administration under a Maritime Administrator. The award of subsidies and all regulatory functions are transferred from the present Maritime Com-

mission to the new Board. The remaining functions of the Maritime Commission, involving ship construction and other administrative operations, are transferred to the Department of Commerce for execution through the Maritime Administration.

The plan also provides for appointment of an Under Secretary of Commerce for Transportation, who will assist the Secretary in the direction and coordination of the transportation activities now centered in the Department.

In plans Nos. 14 and 19 the Department of Labor is given two new functions—the Bureau of Employees' Compensation, transferred from the Federal Security Agency; and the responsibility for coordination of the enforcement of wages and hours legislation affecting Federal or Federally-financed contracts. These two steps will further strengthen the Department of Labor as the center of responsibility for Governmental programs which protect the welfare of employees. This is the same essential purpose that underlay the transfer last year of the Bureau of Employment Security to the Department.

The remaining five plans represent a logical evolution of the responsibilities of the new General Services Administration. Two of these plans (18 and 20) transfer additional service responsibilities to the General Services Administration; and the other three (15–17) remove from it various inappropriate functions it received from the recently abolished Federal Works Agency.

In plan No. 18 the Administrator of General Services is given expanded authority over the acquisition and control of Federal office space, particularly outside the District of Columbia. He is also assigned the responsibility by plan No. 20 for the preservation and publication of certain public documents, such as laws and territorial papers, now handled by the Department of

State, but unrelated to the foreign affairs mission of the Department.

Plans 15–17 transfer from the Administration six programs relating to public works, community facilities and school aid. Alaska and Virgin Islands public works functions are transferred by plan No. 15 to the Department of the Interior; assistance to school districts overburdened by Federal activities and certain water pollution control functions are assigned by plan No. 16 to the Federal Security Agency; and advance planning of non-Federal public works and the management and disposal of war public works are transferred to the Housing and Home Finance Agency by plan No. 17.

When considered in conjunction with the reorganization plans and legislation which were made effective in 1949, these 21 plans bring near to realization certain major goals that have been set forth by the Commission on Organization. These are the same goals toward which the Congress was aiming when it enacted the Reorganization Act of 1949, and toward which I have been working in the exercise of my duties as the manager responsible for the efficiency and economy of the Executive Branch.

The first of these goals is to improve overall management of the Executive Branch. During 1949 the agencies comprising the Executive Office of the President were regrouped, the internal organization of the Civil Service Commission was strengthened to equip it for leadership in personnel administration, and the housekeeping functions of the Government as a whole were consolidated in a new General Services Administration. Today's plans provide further improvement in the organization of the last of these agencies.

The second objective is to improve the internal management of individual departments and agencies. Congressional and administrative action last year strengthened

the structure of three departments—State, Defense, and Post Office—and clarified the management authority of the Department heads. Today's plans lay comparable foundations for improving the internal management of the remaining six departments and of seven regulatory agencies.

The third general goal is to reduce the number of Governmental agencies and to group functions according to the primary purposes of these agencies. Progress was made last year in the grouping of functions relating to transportation and to labor. To-

day's plans deal again with those two areas, as well as effecting other significant shifts.

The reorganization and modernization of the Government may never be called complete. I am confident, however, that these plans will take us well along the road toward more effective, economical and responsible Government.

HARRY S. TRUMAN

NOTE: For the President's messages to Congress transmitting Reorganization Plans 1-21, see Items 54-76.

54 Special Message to the Congress Transmitting Reorganization Plans 1 Through 13 of 1950. *March 13, 1950*

To the Congress of the United States:

I am transmitting today Reorganization Plans Nos. 1 to 13 of 1950, designed to strengthen the management of six executive departments and seven regulatory commissions. These plans propose a major clarification of the lines of responsibility and authority for the management of the Executive Branch. They would put into effect the principal remaining recommendations of the Commission on Organization of the Executive Branch of the Government affecting the location of management responsibility within the departments and agencies.

A principal finding of the Commission on Organization was that clean-cut lines of authority do not exist in the Executive Branch. The Commission stated that "the first and essential step in the search for efficiency and economy in the Executive Branch of the Federal Government" is to correct the present diffusion of authority and confusion of responsibility. The Commission warned that without this action "all other steps to improve organization and management are doomed to failure."

Reorganization Plans Nos. 1 to 13 pro-

pose a bold approach to the problem of delineating responsibility and authority for the management of the Executive Branch. Clearer lines of responsibility and authority will strengthen our constitutional system and will also help to establish accountability for performance in office—a basic premise of democratic government. I urge the Congress to add its approval to my acceptance of these recommendations of the Commission on Organization.

Reorganization Plans Nos. 1 to 6, Relating to Six Executive Departments.

Reorganization Plans Nos. 1 to 6, inclusive, relate to the Departments of the Treasury, Justice, the Interior, Agriculture, Commerce, and Labor. With certain exceptions, these plans transfer to the respective department heads the functions of other officers and agencies of the departments. They permit each department head to authorize the functions vested in him to be performed by any officer, agency, or employee of the department. In addition, Administrative Assistant Secretaries are provided for each of the six departments, and additional Assistant Secre-

taries are authorized for the Department of the Interior and the Department of Agriculture.

In its introduction to its first report, the Commission on Organization stated two "essentials of effective organization." These are:

"The President, and under him his chief lieutenants, the department heads, must be held responsible and accountable to the people and the Congress for the conduct of the executive branch," and

"The wise exercise of authority is impossible without the aids which staff institutions can provide to assemble facts and recommendations upon which judgment may be made and to supervise and report upon the execution of decisions."

The Commission specifically recommended:

"Under the President, the heads of departments must hold full responsibility for the conduct of their departments," and

"Department heads must have adequate staff assistance if they are to achieve efficiency and economy in departmental operations."

These six reorganization plans put into effect these recommendations.

Through the years the Congress has repeatedly endorsed the policy of holding agency heads fully accountable for all the functions of their agencies. Last year this policy was pursued in the legislation authorizing reorganization of the Department of State and establishing the General Services Administration. A reorganization plan applying this principle to the Post Office Department was likewise approved.

However, in the six departments covered by these plans, all functions are not now uniformly vested in the department heads. Some statutory authority is held independently by subordinate officers and agencies. These plans extend fully to the six departments the principles of strengthening de-

partmental management by eliminating the patchwork exceptions that now exist.

The transfers recommended in these plans accomplish three principal objectives. First, they provide a clearer line of responsibility and authority from the President through the department heads down to the lowest level of operations in each department. Second, department heads are made responsible in fact for activities within their agencies for which they are now, in any case, held accountable by the President, the Congress, and the people. Third, department heads are enabled to effect appropriate internal adjustments as may be necessary within their departments to permit the most effective organization of departmental resources and bring about continuous improvement in operations.

These reorganization plans exclude from transfer to the department heads two classes of functions which are retained in their present status. These are the functions of the hearing examiners appointed under the Administrative Procedure Act and the functions of government corporations in the departments.

The provision in each of these plans for an Administrative Assistant Secretary is also based on a recommendation of the Commission on Organization. These positions were recommended in order that each department head, in addition to being made fully responsible for his department, be given adequate staff facilities to assist him in the managerial side of his responsibilities. The accomplishment of specific improvements in management can be made only through continuous attention to the effective performance of such aids to management as budgeting, accounting, personnel, and management analysis.

For the government as a whole steps are being taken in accord with the Commission's recommendations to improve the usefulness

of these aids to management—steps toward a performance budget, improved accounting methods, better personnel administration, and government-wide management improvement. The results of these actions have been promising, but they demonstrate also that this work needs increased departmental attention. While the responsibilities of the Administrative Assistant Secretaries are not fixed by these plans, it is intended that these officials will work primarily on aiding the department heads to achieve better management.

As recommended by the Commission on Organization, these reorganization plans provide for appointment of the Administrative Assistant Secretaries from the classified civil service and fix a salary at the top of that service. These plans also provide for appointment by the department heads with the approval of the President. Such a method of appointment will tend to establish a career pattern for these positions extending across departmental lines. Presidential approval will emphasize that the Administrative Assistant Secretaries should assume a government-wide approach to management problems. This arrangement is consonant with the authority placed in the President by the Classification Act of 1949 to designate positions in the top grade authorized under that Act.

Two of the reorganization plans provide additional Assistant Secretaries, to be appointed by the President and confirmed by the Senate, one in the Department of the Interior and two in the Department of Agriculture. This step is in accord with recommendations of the Commission on Organization. The additional Assistant Secretaries are needed to provide more adequate staff assistance in supervising and directing the policies and programs of these large departments. At present the Department of the Interior has two such officials and there is one

such position in the Department of Agriculture.

Under the provisions of Reorganization Plan No. 2 the title of the Assistant to the Attorney General is changed to Deputy Attorney General, and an additional Assistant Attorney General is provided in lieu of the Assistant Solicitor General, the latter office being abolished. These changes are designed to reflect more accurately the position and responsibility of these two officials of the Department of Justice.

Reorganization Plans Nos. 7 to 13, Relating to Seven Regulatory Boards and Commissions

Reorganization Plans Nos. 7 to 13, inclusive, relate to the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission, the Federal Communications Commission, the National Labor Relations Board, and the Civil Aeronautics Board. These plans are designed to strengthen the internal administration of these bodies by making the Chairman, rather than the commission or board as a whole, responsible for day-to-day administration. Also, the function of designating the Chairman of these bodies is vested in the President in those instances where this function is not already a Presidential one.

These plans carry into effect the first and most important recommendation of the Commission on Organization relating to regulatory commissions. The Commission recommended "that all administrative responsibility be vested in the Chairman of the Commission." Its reasons were summarized as follows:

"Purely executive duties—those that can be performed far better by a single administrative official—have been imposed upon these commissions with the result that these duties have sometimes been performed badly.

The necessity for performing them has interfered with the performance of the strictly regulatory functions of the commissions." Elsewhere the Commission observed:

"Administration by a plural executive is universally regarded as inefficient. This has proved to be true in connection with these commissions."

Since the creation of the Interstate Commerce Commission in 1887, the board or commission has been an established form of Federal organization for regulatory activities. The plural membership of each of these agencies has been based, presumably, on the usefulness of deliberation in the rule-making and adjudicative processes. However, as their work has developed through the years, each of these agencies has become, in addition to a deliberative body, an organization of staff elements whose work must be programmed and whose members must be recruited, supervised, and led. The smallest of these staffs is now over 600 in number and the largest over 2,000, and the difficulties of supervision are multiplied because of the highly technical nature of the legal, engineering, accounting, and other skills which must be successfully interrelated.

The commissions, concerned primarily with the substantive problems of regulation and with the adjudication of cases, cannot give adequate attention to the day-to-day executive direction of complex organizations. To the extent that they have concerned themselves with administrative problems, the unwieldiness of the structure has sometimes rendered administration slow, cumbersome, and indecisive.

Accordingly, within the limitations explained in later paragraphs, each of these plans vests in the Chairman, in each case, responsibility for appointment and supervision of personnel employed under the commission, for distribution of business among such personnel and among administrative

units of the commission, and for the use and expenditure of funds.

In the conduct of all of these activities, the Chairman will be bound by the general policies established by the commission and by its regulatory decisions, findings, and determinations. In addition, the right is specifically reserved to the commission to revise budget estimates and determine the distribution of funds among the major programs and purposes of the agency. The appointment of the heads of major administrative units under the commission is subject to approval of the commission, and each Commissioner retains responsibility for actions affecting personnel employed regularly and full time in his immediate office.

The proposals contained in these reorganizations are not new. Several of the commissions have already made considerable progress in placing administrative responsibility in their Chairman. Therefore, the effect of these plans is to extend uniformly to all commissions a pattern of organization demonstrated by experience to be successful.

The fact that under these reorganization plans the commissions retain all substantive responsibilities deserves special emphasis. The plans only eliminate multi-headed supervision of internal administrative functioning. The commissions retain policy control over administrative activities since these are subject to the general policies and regulatory decisions, findings, and determinations of the commissions.

The plans do not contemplate that the Chairman will be relieved of any of his duties as a member and presiding officer of the commission. They simply place on him the additional responsibilities for the operations of the staff. The Chairman will need to establish the necessary administrative arrangements to carry out these responsibilities.

Reorganization Plan No. 12 terminates the present division and confusion of respon-

sibility in the National Labor Relations Board by abolishing the office of the General Counsel of the Board. The Senate last year indicated its approval of this step. The reorganization plan in effect restores unified authority and responsibility in the Board. As in the case of the other plans for regulatory agencies, certain administrative and executive responsibilities are placed in the Chairman. The relationship between the Board and the Chairman is identical with that provided for the other regulatory agencies. This action eliminates a basic defect in the present organization of the National Labor Relations Board and provides an organizational pattern consistent with that established for the other regulatory agencies.

In the plans relative to four commissions—the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, and the Securities and Exchange Commission—the function of designating the Chairman is transferred to the President. The President by law now designates the Chairmen of the other three regulatory commissions covered by these plans. The designation of all Chairmen by the

President follows out the general concept of the Commission on Organization for providing clearer lines of management responsibility in the Executive Branch. The plans are aimed at achieving more fully these management objectives and are not intended to affect the independent exercise of the commissions' regulatory functions.

All thirteen of these reorganization plans will aid in making a more efficient government. The plans affecting the departments will help straighten out the lines of responsibility and authority, improve administrative accountability, and make departmental management sufficiently flexible to meet changing problems. The plans relating to the regulatory commissions will result in the more businesslike and effective administration of the Government's regulatory programs. In short, these plans provide for better management of the executive departments and regulatory commissions and thus will assure to the public the best possible service at the lowest possible costs.

HARRY S. TRUMAN

NOTE: For further messages to the Congress on Reorganization Plans 1-13, see Items 55-67.

55 Special Message to the Congress Transmitting Reorganization Plan 1 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of the Treasury. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 1 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the

Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of the Treasury. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result

in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reduc-

tions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 1 of 1950 is printed in House Document 505 (81st Cong., 2d sess.). It did not become effective.

56 Special Message to the Congress Transmitting Reorganization Plan 2 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Justice. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 2 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Assistant Attorney General and an Administrative

Assistant Attorney General. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 2 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1261) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1002). It became effective on May 24, 1950.

57 Special Message to the Congress Transmitting Reorganization Plan 3 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of the Interior. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and

hereby declare that each reorganization included in Reorganization Plan No. 3 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the ap-

pointment and compensation of an Assistant Secretary of the Interior and an Administrative Assistant Secretary of the Interior. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved op-

erations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 3 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1262) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1003). It became effective on May 24, 1950.

58 Special Message to the Congress Transmitting Reorganization Plan 4 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 4 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Agriculture. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 4 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of two Assistant Secretaries of Agriculture and an Ad-

ministrative Assistant Secretary of Agriculture. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 4 of 1950 is printed in House Document 508 (81st Cong., 2d sess.). It did not become effective.

59 Special Message to the Congress Transmitting Reorganization Plan 5 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 5 of 1950, prepared in accordance with the Reorganization Act of 1949 and pro-

viding for reorganizations in the Department of Commerce. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 5 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of Commerce. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 5 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1263) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1004). It became effective on May 24, 1950.

60 Special Message to the Congress Transmitting Reorganization Plan 6 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 6 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Labor. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 6 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of Labor. The

rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 6 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1263) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1004). It became effective on May 24, 1950.

61 Special Message to the Congress Transmitting Reorganization Plan 7 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 7 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Interstate Commerce Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 7 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 7 of 1950 is printed in House Document 511 (81st Cong., 2d sess.). It did not become effective.

62 Special Message to the Congress Transmitting Reorganization Plan 8 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 8 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Federal Trade Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 8 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations

included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 8 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1264) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1005). It became effective on May 24, 1950.

63 Special Message to the Congress Transmitting Reorganization Plan 9 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 9 of 1950, prepared in accordance with

the Reorganization Act of 1949 and providing for reorganizations in the Federal Power Commission. My reasons for transmitting

this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 9 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are

probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 9 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1265) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1005). It became effective on May 24, 1950.

64 Special Message to the Congress Transmitting Reorganization Plan 10 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 10 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Securities and Exchange Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 10 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations

included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 10 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1265) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1006). It became effective on May 24, 1950.

65 Special Message to the Congress Transmitting Reorganization Plan 11 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 11 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Federal Communications Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 11 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result

in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reduc-

tions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 11 of 1950 is printed in House Document 515 (81st Cong., 2d sess.). It did not become effective.

66 Special Message to the Congress Transmitting Reorganization Plan 12 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 12 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the National Labor Relations Board. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 12 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 12 of 1950 is printed in House Document 516 (81st Cong., 2d sess.). It did not become effective.

67 Special Message to the Congress Transmitting Reorganization Plan 13 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 13 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Civil Aeronautics Board. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 13 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganizations

included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 13 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1266) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1006). It became effective on May 24, 1950.

68 Special Message to the Congress Transmitting Reorganization Plan 14 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 14 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. For the purpose of coordinating the administration of labor standards under various statutes relating to Federal construction and public works or to construction with Federally financed assistance or guarantees, the reorganization plan authorizes the Secretary of Labor to prescribe appropriate standards, regulations and procedures with respect to these matters and to make such investigations concerning compliance with and enforcement of labor standards as he deems desirable. The purpose is to assure consistent and effective enforcement of such standards.

The plan is in general accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. It constitutes a further step in rebuilding and strengthening the Department of Labor to make it the central agency of the Government for dealing with labor problems.

After investigation, I have found and hereby declare that the reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

There are several laws regulating wages and hours of workers employed on Federal contracts for public works or construction. The "Eight Hour Laws" limit the employment of laborers and mechanics on such projects to eight hours per day and permit their employment in excess of that limit only upon condition that time and one-half the basic wage rate is paid for the excess hours. The Davis-Bacon Act provides that the minimum

rates of pay for laborers and mechanics on certain Federal public works contracts shall be those prevailing for the corresponding classes of workers in the locality as determined by the Secretary of Labor. The Copeland Anti-Kickback Law prohibits the exaction of rebates or kickbacks from workers employed on the construction of Federal public works or works financed by the Federal Government and authorizes the Secretary of Labor to make regulations for contractors engaged on such projects.

In addition to the above statutes, there are several Acts which require the payment of prevailing wage rates, as determined by the Secretary of Labor, to laborers and mechanics employed on construction financed in whole or in part by loans or grants from the Federal Government or by mortgages guaranteed by the Federal Government. These Acts are: The National Housing Act, the Housing Act of 1949, the Federal Airport Act, and the Hospital Survey and Construction Act of 1946.

With the exception of the Department of Labor, the Federal agencies involved in the administration of the various Acts are divided into two classes: (1) agencies which contract for Federal public works or construction; and (2) agencies which lend or grant Federal funds, or act as guarantors of mortgages, to aid in the construction of projects to be built by State or local public agencies or private individuals and groups. The methods of enforcing labor standards necessarily differ between these two groups of agencies.

The methods adopted by the various agencies for the enforcement of labor standards vary widely in character and effectiveness. As a result, uniformity of enforce-

ment is lacking and the degree of protection afforded workers varies from agency to agency.

In order to correct this situation, this plan authorizes the Secretary of Labor to coordinate the administration of legislation relating to wages and hours on Federally financed or assisted projects by prescribing standards, regulations, and procedures to govern the enforcement activities of the various Federal agencies and by making such investigations as he deems desirable to assure consistent enforcement. The actual performance of enforcement activities, normally including the investigation of

complaints of violations, will remain the duty of the respective agencies awarding the contracts or providing the Federal assistance.

Since the principal objective of the plan is more effective enforcement of labor standards, it is not probable that it will result in savings. But it will provide more uniform and more adequate protection for workers through the expenditures made for the enforcement of the existing legislation.

HARRY S. TRUMAN

NOTE: Reorganization Plan 14 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1267) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1007). It became effective on May 24, 1950.

69 Special Message to the Congress Transmitting Reorganization Plans 15, 16, and 17 of 1950. *March 13, 1950*

To the Congress of the United States:

I am transmitting today Reorganization Plans Nos. 15, 16, and 17 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The three plans transfer various activities of the General Services Administration to other departments and agencies as follows: Plan No. 15 assigns the administration of the Alaska and Virgin Islands public works programs to the Department of the Interior; Plan No. 16 transfers the responsibility for financial assistance to public school districts and grants and loans for water pollution control to the Federal Security Agency; and Plan No. 17 transfers the administration of advances for the planning of non-Federal public works and the management and disposal of certain war public works to the Housing and Home Finance Agency.

These plans will contribute to the further development of the General Services Administration as a central services agency by transferring several specialized functions,

which it has at present, to more appropriate locations within the Government. At the same time Reorganization Plans No. 18 and 20, which I am also transmitting to the Congress today, assign to the Administration additional responsibility for such services as the control of space in public buildings and the publication and preservation of various public documents.

The General Services Administration was created by the Federal Property and Administrative Services Act of 1949 to provide a focal point within the Executive Branch for the provision and improvement of such common administrative services as supply, buildings administration and records management. The act sought to achieve this objective by consolidating in the new Administration a group of service activities which had previously been scattered throughout the Executive Branch.

Many of these service activities at the time the act was passed were being performed by the Federal Works Agency. At the same

time the Federal Works Agency was performing certain specialized functions not of interest to the government as a whole. When the Congress transferred all the functions of the Federal Works Agency to the General Services Administration it was recognized that these specialized functions should be separated out at a later date by reorganization action. Only if this is done will the General Services Administration be able to fulfill its basic function and concentrate its efforts on the improvement of the vast and complex service activities of the Federal Government.

The transfers effected by these plans are consistent with the recommendations of the Commission on Organization of the Executive Branch of the Government. The programs which involve direct Federal construction are transferred to the Department of the Interior. The programs involving grants or loans to states and localities are transferred to the departments and agencies having major responsibility for these particular activities.

This general message states my reasons for transmitting Reorganization Plans Nos. 15, 16, and 17. The legal findings as to necessity and savings required by the Reorganization Act of 1949 are included in separate messages transmitting each of the three plans.

REORGANIZATION PLAN NO. 15

(Alaska and Virgin Islands Public Works)

Reorganization Plan No. 15 transfers the responsibilities of the General Services Administrator for public works programs in Alaska and the Virgin Islands to the Secretary of the Interior in order that the direction of these activities may be assumed by the Department generally charged with the development and welfare of Alaska and the Virgin Islands. The Alaska public works

program is very new, having been authorized by Public Law 264 of the 81st Congress. This Act empowers the General Services Administrator, with the concurrence of the Secretary of the Interior, to build community facilities for public bodies in the Territory for an average purchase price of one-half of the estimated cost of construction. The Virgin Islands program is much smaller and has been in effect since the approval on December 20, 1944, of Public Law 510, 78th Congress. Under the provisions of this Act, the General Services Administrator builds various public facilities authorized by the legislation.

Both the Alaska and the Virgin Islands programs involve the direct provision of assistance to eligible public bodies. Both projects involve construction by the Federal Government of approved facilities, which upon completion are turned over to the local authorities for which they were built. These responsibilities are thus largely unrelated to the administrative services with which the General Services Administration is primarily concerned.

The Department of the Interior is already charged with the supervision of public works units in the Caribbean area and in Alaska. Chief among these are the Alaska Road Commission and the Puerto Rico Reconstruction Administration. Moreover, the operations of the Alaska Railroad and the Virgin Islands Corporation are under the supervision of the Department. Also of importance in the administration of these public works programs are the close relationships which exist between the Department of the Interior and the governors of Alaska and the Virgin Islands. These officials are appointed by the President, but they normally report through the Secretary of the Interior. The transfer will thus clarify responsibility and simplify relationships in the

execution of public works activities in Alaska and the Virgin Islands.

REORGANIZATION PLAN NO. 16

(Assistance to School Districts and Water Pollution Control)

Reorganization Plan No. 16 transfers the school assistance and water pollution control activities of the General Services Administration to the Federal Security Agency.

The rendering of assistance to local school districts overburdened by the activation of Federal projects or installations was first authorized by the Lanham Act of 1940, as amended. Since the expiration of the Lanham Act there have been four one-year extensions of the program. The plan will place the responsibility for its future administration in the Federal Security Agency, whose Office of Education is generally responsible for the execution of Federal-aid programs designed to improve or extend educational opportunities.

Reorganization Plan No. 16 also consolidates responsibility for the administration of the Water Pollution Control Act of 1948 in the Federal Security Agency by transferring to it the functions of the General Services Administration relating to grants and loans for the planning and construction of sewage treatment plants.

At the present time over 90 percent of the administration of the water pollution control activities authorized by Public Law 845, 80th Congress, is carried on by the Public Health Service of the Federal Security Agency. That agency is already responsible for the preparation of comprehensive water pollution control plans for interstate streams, for the conduct of surveys and research, for the maintenance of relationships with state water pollution control agencies, and for the approval of sewage treatment projects for

which grants or loans are requested by state or local authorities. The effect of the plan will be to place the entire responsibility for the approval and administration of the grant and loan provisions of the Water Pollution Control Act in the Federal Security Agency, as the agency with the predominant interest in the attainment of the objectives of the legislation.

The consolidation of water pollution control functions will simplify relationships with the state and local governments participating in the program. Under the existing arrangements two Federal agencies must take part in the review and approval of each request for a grant or loan. The Reorganization Plan will make it possible for applicants to look exclusively to the river basin offices of the Public Health Service in seeking information or assistance in the abatement of water pollution.

REORGANIZATION PLAN NO. 17

(Advance Planning and War Public Works)

Reorganization Plan No. 17 transfers two of the programs of the General Services Administration to the Housing and Home Finance Agency. The first of these involves the administration of advances to state and local governments for the planning of public works. This transfer is consistent with recent action of the Congress which has given the Housing and Home Finance Agency an important function in the orderly planning and development of the public facilities and physical characteristics of American communities.

The advance planning of non-Federal public works was revived as an activity of the Government of the United States by Public Law 352, approved October 13, 1949. It authorizes repayable advances to state and local governments for the planning of a shelf

of public works available both for emergencies and to meet the growing needs of communities. Within the limits of available funds, Federal aid is extended to any state or local government which applies for an advance if the proposed project conforms to the over-all plans approved by competent state, local or regional authorities, if the applicant possesses the legal authority to proceed with construction, and if the financial resources of the community are found to be adequate to make the undertaking feasible. Advances have been requested chiefly to aid in the planning of water and sewer systems, schools, urban streets and roads and miscellaneous public buildings. Both the intent of the Act and the nature of the facilities planned require that the Federal agency administering Public Law 352 have an understanding of how advance planning can contribute to community development.

The Housing Act of 1949 assigned to the Housing and Home Finance Administrator the responsibility for executing the slum clearance and community development provisions of the statute. The adequate administration of this program requires that attention be directed to the planning of urban communities, including the various public facilities needed to assure the integrated development of project areas. The Housing and Home Finance Agency must maintain continuous liaison with local officials, it must appraise accurately and thoroughly the capacity of communities to finance the projects authorized by the Housing Act, and it must acquire a detailed knowledge of the legal authority of each participant to build various categories of public works. These are essentially the kinds of knowledge and relationships which are essential to the successful administration of advances for non-Federal public works.

The consolidation of the responsibility for advance planning activities with slum clear-

ance and urban redevelopment functions will make it possible to assure the integration of two programs which are not only closely related in their objectives but now overlap to some extent. A single responsible agency will be able to assure that the authority under both statutes will be used to the maximum advantage of both the Federal Government and the state and local public bodies which seek to participate in the benefits.

The plan will also make possible the unification of the administrative structure and field organization needed to administer the two programs. Moreover, the emergence of a single community development agency will make it possible for public bodies to deal with fewer Federal officials in the advance planning of their public facilities, the elimination of blighted areas, and the promotion of well-balanced residential neighborhoods. The plan will consequently lead to improvements in one important sector of Federal-state and Federal-local relations.

The second transfer provided for by Reorganization Plan No. 17 relates to the management and disposal of sewers, schools, hospitals and other community facilities constructed under Title II of the Lanham Act of 1940, as amended. Its effect will be to consolidate these functions in the Housing and Home Finance Agency, which is already responsible for over 95 percent of remaining Lanham Act properties. The fact that approximately 30 percent of the war public works still in the possession of the General Services Administration are dependent upon war housing projects managed by the Housing and Home Finance Agency further illustrates the closeness of relationships between the current Lanham Act functions of the two agencies.

An additional consideration in support of the transfer is the evolution of the Housing and Home Finance Agency as the unit of the Federal Government best prepared to nego-

tiate with local officials on matters affecting a wide variety of community facilities—a preparedness which will be further enhanced by the transfer of advance planning functions. The reorganization plan will thus lead to improvements in the capacity of the Government to manage and dispose of the public facilities still in its possession in a manner which will simultaneously protect its interests and advance the development of the communities in which the projects are situated.

The transfer of these programs to the agencies where they can be administered with other related activities will lead to the

simplification of administrative arrangements, the reduction of unwarranted delays, and the curtailment of the duplication inherent in divided responsibility. The result will be greater ultimate benefits from the execution of the programs. These considerations, together with the beneficial effect which the reorganizations will have on the General Services Administration, lead me to commend Reorganization Plans 15, 16, and 17 to the Congress as important and constructive steps in our program of management reform in the Executive Branch.

HARRY S. TRUMAN

NOTE: For further messages on Reorganization Plans 15, 16, and 17, see Items 70–72.

70 Special Message to the Congress Transmitting Reorganization Plan 15 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 15 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers the functions of the General Services Administration relating to public works in Alaska and in the Virgin Islands to the Department of the Interior. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 15 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The savings to be realized from the transfers provided for in the plan cannot be predicted in detail at this time. The small size and restricted character of the Virgin Islands public works program will prevent large reductions in administrative expenditures. However, by placing the responsibility for

the activity in the department generally concerned with the government and welfare of the Islands, the plan will lead to a closer integration of the public works program with verified needs.

The Alaska public works program is new and will continue to grow for some time. As a result the overall costs of administration will increase under any organizational arrangements which may be established. The concentration of responsibility in the Department already charged with the execution of related programs in Alaska and required by law to approve all projects constructed under the Alaska Public Works Act of 1949 should, however, simplify relationships and lead to more economical administration than would otherwise be possible.

HARRY S. TRUMAN

NOTE: Reorganization Plan 15 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1267) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 1007). It became effective on May 24, 1950.

71 Special Message to the Congress Transmitting Reorganization Plan 16 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 16 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers to the Federal Security Agency the functions of the General Services Administration relating to assistance to local school districts and grants and loans for water pollution control projects. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 16 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The transfer of the responsibility for making payments to local school districts whose operating deficits are due in part to Federal activities is unlikely to result in an immediate reduction in expenditures for the administration of the program. However, by placing the function in the agency of the Govern-

ment best informed in matters of public school administration and presently charged with the payment of other grants for educational purposes, the plan will provide additional assurance that the funds appropriated for assistance to overburdened school districts will be most advantageously expended.

The relative newness and expanding character of the water pollution control program prevents the itemization of the reductions in expenditures which will follow the consolidation of responsibility for this activity. It is expected that the elimination of overlapping and the simplification of relationships which will result from the transfer will make it possible to administer grants and loans more expeditiously and at lower costs per project than can be done under the present division of responsibility.

HARRY S. TRUMAN

NOTE: Reorganization Plan 16 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1268) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1008). It became effective on May 24, 1950.

72 Special Message to the Congress Transmitting Reorganization Plan 17 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 17 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers the functions of the General Services Administration relating to the advance planning of non-Federal public works and the management and disposal of certain war public works to the Housing and Home Finance Agency. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 17 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The first of the transfers provided for by this plan will result in the more economical administration of those activities of the Federal Government which are concerned with the over-all planning and development of communities. The concentration of respon-

sibility in a single agency will make it possible to so integrate administration as to avoid duplication of technical staffs and to simplify relationships with state and local agencies. Moreover, by reducing the likelihood that the two programs involved will be administered at cross-purposes or in conflict with each other, it can be expected that the money expended will achieve greater benefits than would be likely under the present distribution of responsibility. It is not, however, possible to itemize the reduction in expenditures which will result, chiefly because both programs are of recent origin and are still undergoing expansion.

The transfer of the war public works functions will lead to modest savings by consoli-

dating the responsibility for the management and disposal of all properties built or acquired under the Lanham Act of 1940, as amended, in the agency which already has the greater part of the total job. The fact that it will become possible to manage and dispose of public facilities serving emergency housing developments without the inter-agency negotiation which is now necessary will lead to economies, although they cannot be itemized or predicted with exactness.

HARRY S. TRUMAN

NOTE: Reorganization Plan 17 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1269) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1008). It became effective on May 24, 1950.

73 Special Message to the Congress Transmitting Reorganization Plan 18 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 18 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers to the Administrator of General Services the functions of the various Federal agencies with respect to leasing and assigning general purpose space in buildings and the operation, maintenance and custody of office buildings. Since such authority is already largely concentrated in the General Services Administration with respect to the District of Columbia, the plan principally relates to the administration of these functions in the field.

The transfers made by this plan will promote more economical leasing, better utilization of building space, and more efficient operation of Government-controlled office buildings. They will effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to concentrating in

the General Services Administration the responsibility for space allotment and the operation of Government buildings outside of the District of Columbia. Likewise, they will extend the principles laid down by the Congress in enacting the Federal Property and Administrative Services Act of 1949 to another important area of Government-wide administrative services—the administration of Government office buildings and general purpose building space in the field.

Within the District of Columbia, one agency, the Public Buildings Service of the General Services Administration, has long had the operation and custody of most Government buildings and the leasing and assignment of space for executive agencies. Thus, nearly all requests for building space are handled by a single organization which is responsible for seeing that agencies are properly and efficiently housed. This arrangement has proved its worth and has repeatedly been approved by the Congress.

Outside of the National Capital, however, responsibility for the acquisition and control of building space and the operation of Government buildings is widely diffused. A variety of agencies operate and control general purpose buildings. If quarters are not available in Federal buildings, each agency ordinarily does its own leasing. As a result, in some cases Federal agencies have contracted for space at high rentals at the very time that other agencies have been giving up surplus low-cost space.

The assignment of space in Government-owned buildings outside of Washington is also divided among a number of agencies. While the Public Buildings Service constructs a large part of the Government buildings, it operates and controls the assignment of space in only a small proportion of them. The Post Office Department operates and allocates the space in post office buildings, several hundred of which contain substantial amounts of office space available for other agencies. During and immediately after the war several other Federal agencies acquired office buildings in the field. As their activities have contracted, surplus space in many of these structures has become available for other uses.

This plan concentrates in the General Services Administration the responsibility for the leasing and assignment of what is termed general purpose building space, that is, space which is suitable for the uses of a number of Federal agencies. It specifically excludes space in buildings at military posts, arsenals, navy yards, and similar defense installations and space in hospitals, laboratories, factories and other special purpose buildings.

Also, the plan excludes the Post Office Department from the transfer of leasing authority since the Department has a highly developed organization for this purpose, and it limits the transfer of space assignment

authority in post office buildings to the space not occupied by the Department. Further, it gives the needs of the Post Office Department priority in the assignment of space in post office buildings. Thus, the plan amply safeguards the interests of the Post Office Department while making it possible to include the general office space in post office buildings in any given city with other similar space under Federal control in planning and executing an efficient program for housing Government agencies in that area.

In addition, the plan transfers to the General Services Administration the operation, maintenance, and custody of office buildings owned or leased by the Government, including those post office buildings which are not used predominantly for post office purposes. This will make it possible to establish a single organization for the operation and maintenance of Government office buildings in principal cities in the field as has proved desirable in the National Capital. Since many post offices are in fact primarily large office buildings, the plan includes in this transfer the post office buildings which are not used predominantly for post office purposes. This will relieve the Post Office Department of a considerable expenditure for building operation and maintenance which properly should not be charged against postal revenues.

While the plan effects a broad transfer of functions with respect to leasing and assignment of space and the operation and maintenance of office buildings, it specifically authorizes the Administrator of General Services to delegate the performance of any part of these functions to other agencies subject to such regulations as he deems desirable for economical and effective administration. In this the plan follows the pattern adopted by the Federal Property and Administrative Services Act of 1949 for other branches of property management. In large

urban centers where numerous Federal units are located unified administration of space activities by the General Services Administration will normally be advantageous. On the other hand, in the smaller communities it will no doubt be desirable to delegate the work back to the agencies directly affected, to be carried on under standards laid down by the Administrator of General Services. The plan provides ample flexibility for working out the most effective administrative arrangement for each type of situation.

The fundamental soundness and economy of centralized administration of building space have been amply demonstrated in the National Capital. By virtue of unified control it has been possible since the war to accomplish far-reaching changes which have consolidated agencies in much fewer locations, released many of the rented buildings, and greatly reduced the cost of housing the Government establishment. Similar pro-

cedures applied in the larger centers of field activity should produce substantial savings.

After investigation, I have found and hereby declare, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

While it is not possible at this time to calculate the reduction in expenditures which will result from this plan, it can safely be predicted that it will produce substantial savings. I am confident that this reorganization plan will constitute a significant improvement in Federal business practice and will bring about an important increase in efficiency in housing Government agencies.

HARRY S. TRUMAN

NOTE: Reorganization Plan 18 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1270) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1009). It became effective on July 1, 1950.

74 Special Message to the Congress Transmitting Reorganization Plan 19 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 19 of 1950, prepared in accordance with the Reorganization Act of 1949. This reorganization plan carries out a specific recommendation of the Commission on Organization of the Executive Branch of the Government by transferring from the Federal Security Agency to the Department of Labor the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board and their functions. The functions of the Federal Security Administrator with respect to employees' compensation are also transferred by the plan.

The reorganization plan is a further step in achieving the general objective of the Commission to strengthen the Department

of Labor by bringing within it labor functions which over many years have been scattered throughout the Executive Branch.

Last year by reorganization plan the Bureau of Employment Security was transferred to the Department of Labor. Today I am also transmitting Reorganization Plan No. 19 which assigns to the Department of Labor the responsibility for prescribing and enforcing standards, regulations, and procedures in order to coordinate and assure consistent enforcement of labor standards legislation applying to Federally financed or assisted construction and public works. The accompanying reorganization plan will further consolidate allied programs of the Federal Government pertaining to employees and employment.

The Bureau of Employees' Compensation administers programs which compensate workers and their dependents for death or disabling injuries suffered in the course of employment. These programs constitute the Federal Government's system of workmen's compensation and include the related functions of accident prevention and safety. Currently, there are four major groups of employees covered by this system, including 2,000,000 Federal employees, 500,000 long-shoremen and harbor workers, 250,000 industrial employees in the District of Columbia and an estimated 100,000 employees of private contractors located at overseas United States bases. In 1949 these groups of employees suffered over 200,000 injuries, of which 30,000 resulted in claims for compensation.

The Employees' Compensation Appeals Board hears and finally decides appeals on claims of employees covered by the Federal Employees' Compensation Act. Non-Federal employees take appeals arising from compensation claims directly to the District courts.

This workmen's compensation system, which is designed to mitigate the hardships attendant upon the death or disabling injuries of employees growing out of their employment, is clearly a labor function and is closely related to other programs of the Department of Labor.

For many years the Department of Labor has taken leadership in promoting standards for workmen's compensation programs throughout the country. It is most appropriate that the agency promoting high standards for workmen's compensation programs throughout the several states should likewise administer the Federal Government's workmen's compensation programs.

An accident prevention program is always a necessary adjunct of a workmen's compensation system. The Department of

Labor has the primary responsibility in the Federal Government for developing and promoting programs for the prevention and elimination of industrial hazards. This activity is primarily carried out by the Bureau of Labor Standards through the establishment of safety standards of general application throughout industry. This Bureau is also the focal point for making effective the Government's Nation-wide conferences on industrial safety. A related activity is the responsibility of the Wage and Hour and Public Contracts Divisions of the Department to enforce the safety provisions of the Walsh-Healey Public Contract Act with respect to working conditions on certain public contracts.

The Secretary of Labor also has special responsibilities relating to safety for Federal employees, having served as Chairman of the Policy Board of the Interdepartmental Safety Council since its inception. The Bureau of Labor Standards has provided the necessary staff work for the Council, and has assisted the Secretary of Labor in carrying out his broad area of interest in Federal safety programs.

An integral part of the Department's activities for effective programs of workmen's compensation and industrial safety has been the compilation of accident statistics by the Bureau of Labor Statistics. Effective administration of workmen's compensation or safety standards requires the use of that Bureau's information on work injuries and accident causes, for this information affords important guidance in the establishment of equitable compensation benefits and in the formulation of effective safety standards.

Prior to 1916, the Federal system of workmen's compensation was carried out under the Secretary of Labor, or his predecessor the Secretary of Commerce and Labor. From 1916 to 1946 administration of this system was vested in an independent Em-

employees' Compensation Commission. Due to the greatly increased complexity of the Federal Government, it was imperative that the independent status of that Commission be eliminated and that it be placed within one of the major constituents of the Executive Branch. Therefore, in 1946, the Employees' Compensation Commission was abolished and its functions were transferred to the Federal Security Agency.

Since 1946, new conditions have arisen which make it desirable to change the location of the Federal workmen's compensation system. Recently, through the 1949 amendments to the Federal Employees' Compensation Act, the Bureau of Employees' Compensation was given increased responsibilities, with respect to accident prevention and safety. Furthermore, in 1949, responsibility for unemployment compensation was assigned to the Department of Labor. Workmen's compensation, like unemployment compensation, is a program designed to alleviate hazards arising in employment. Since functions relating to both employment and employment conditions are performed by the Department of Labor, compensation for injury suffered in employment, like compensation for unemployment, should also be a function of the Department of Labor.

There are not transferred by the provisions of this reorganization plan (1) any function of the Public Health Service, (2) any function of the Federal Security Agency or the Federal Security Administrator under the

Vocational Rehabilitation Act, as amended (including the function of assuring the development and accomplishment of state rehabilitation plans affecting beneficiaries under the Federal Employees Compensation Act), nor (3) the function of developing or establishing rehabilitation services or facilities. These responsibilities are retained in the Federal Security Agency. This provision will preclude the necessity for establishing any duplicating facilities or services.

After investigation, I have found and hereby declare that each of the reorganizations included in Reorganization Plan No. 19 of 1950, is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

It is probable that a reduction of expenditures will result from the reorganizations included in this plan, as well as from greater efficiency of administration. An itemization of these reductions in advance of actual experience under this plan is not practicable.

This reorganization is another link in the program to strengthen the Department of Labor. It will result in the accomplishment of optimum efficiency and is in the interest of the most effective organization of the Government.

HARRY S. TRUMAN

NOTE: Reorganization Plan 19 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1271) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1010). It became effective on May 24, 1950.

75 Special Message to the Congress Transmitting Reorganization Plan 20 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 20 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers from the Secretary of State to the Administrator of General

Services a number of functions which have no connection with foreign affairs but bear a close relation to the archival and records functions of the General Services Administration.

Since its establishment in 1789 the De-

partment of State has performed certain routine secretarial and record-keeping functions for the Federal Government which are entirely extraneous to its basic mission with respect to the conduct of foreign relations. While these activities do not properly belong in the Department, they were assigned to it and continued under its jurisdiction for want of an appropriate agency for their performance. At present these functions consist of the preservation and publication of laws, the preparation and publication of the Statutes at large, the certification and publication of Constitutional amendments, the receipt and preservation of certificates of Presidential Electors and of electoral votes, and the compilation and publication of Territorial papers.

Through The National Archives and Records Service the General Services Administration is especially staffed and equipped for the conduct of activities of these types. It is the principal custodian of the official records of the Government. Under the Federal Register Act and the Administrative Procedure Act, it preserves and publishes in the Federal Register the executive orders, proclamations, and other principal executive documents and it codifies and publishes the rules and regulations promulgated by the various departments and agencies. This work is generally similar in nature to, and much greater in volume than, that performed by the Department of State with respect to Constitutional amendments, laws, and proclamations. Consequently, the consolidation of these activities of the State Department with the archival and records activities of the General Services Administration should make for greater efficiency and economy. The plan, however, does not transfer the custody and publication of treaties and international agreements since they are matters of special concern to the Department of State and it is the agency most competent to edit such documents.

The handling of the certificates of Presidential Electors and the compilation and publication of Territorial papers also more appropriately belong in the General Services Administration. The first is largely a matter of record-keeping and the second of archival research. The preparation of the Territorial papers involves the compilation and editing of official documents of the various Territories formerly existing within the United States. The greater part of this material is now in the National Archives and the work involved is generally similar to that being performed by it with respect to other groups of public records.

In addition, the plan abolishes two statutory duties of the Secretary of State which have become obsolete. The first is the duty of procuring copies of all State statutes as provided in the Act of September 23, 1789 (R.S. 206). Inasmuch as the Library of Congress now has a complete collection of the State laws, it is no longer necessary for the Department of State to maintain a complete collection. The second is the requirement, imposed by the Act of July 31, 1876 (19 Stat. 105), as amended, that the Secretary of State publish proclamations and treaties in a newspaper in the District of Columbia. This is now unnecessary since proclamations are published in the Federal Register and treaties are made available currently in slip form in the Treaties and other International Acts Series.

After investigation I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The transfers provided by this plan will relieve the State Department of a number of functions that have no relation to its primary purpose and place them in an agency espe-

cially designed for the performance of such activities. Until these functions are incorporated in the operations of the General Services Administration, it will not, of course, be practicable to determine the economies attributable to their transfer, but it is reasonable to expect modest yet worthwhile

savings to be achieved.

HARRY S. TRUMAN

NOTE: Reorganization Plan 20 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1272) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1011). It became effective on May 24, 1950.

76 Special Message to the Congress Transmitting Reorganization Plan 21 of 1950. *March 13, 1950*

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 21 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan effects a basic reorganization of the functions of the United States Maritime Commission along the lines recommended by the Commission on Organization of the Executive Branch of the Government.

Within the last three years three different bodies have studied the administration of the Maritime Commission. All have concluded that the operating deficiencies of the agency arise from inappropriate and unsound organization and that a fundamental reorganization is essential. The first of these bodies, the President's Advisory Committee on the Merchant Marine, in 1947, stated: "It appears to the Committee that the organization structure of the Maritime Commission as set up in the Merchant Marine Act of 1936 is wholly inadequate for the efficient conduct of the multitude of diverse activities for which the Maritime Commission is now responsible. The deficiencies of the statutory organization for administrative action are regarded by the Committee to be the most serious obstacle standing in the way of the development of the Merchant Marine of this country." Similarly, the survey of the Maritime Commission in 1948 for the Senate Committee on Expenditures in the Executive

Departments concluded that "The fundamental weakness of the Maritime Commission, as it is now constituted, lies in its prescribed organization." On the basis of investigations of the Maritime Commission by two of its task forces, the Commission on Organization of the Executive Branch stated: "It is an anomaly that a regulatory commission should also conduct the executive function of managing a huge business; that executive functions should be carried on by an agency that is not subject to presidential direction; that executive functions should be carried on by a full-time board . . ." While the recommendations of the various studies differ in some details, they agree on principles and on the main features of reorganization.

Basically, the administrative difficulties of the Maritime Commission have arisen, as all these studies agree, from the fact that the Commission is responsible for performing two fundamentally different types of functions which call for different types of organization. These two classes of functions are (a) regulatory and (b) operating and promotional. Under various acts the Commission regulates rates and services of water carriers, passes on agreements among carriers, and protects shippers against unfair and discriminatory practices. This type of activity requires the deliberation and independence of judgment which a board or

commission is especially well designed to provide. But at the same time the Commission is charged with the conduct of a variety of large and costly promotional and business-type programs demanding the prompt and vigorous administration for which experience both in Government and in private enterprise has demonstrated that a single executive is essential.

The Maritime Commission has charge of the construction of merchant vessels for subsidized operators and for government account. It owns and maintains the largest merchant fleet in the world, consisting of 2,200 vessels aggregating more than 22,000,000 dead weight tons. It charters and sells ships and in time of war or national emergency requisitions and operates vessels for the Government. It grants construction and operating differential subsidies to private shipping companies to maintain an active privately operated American merchant marine. It makes loans and insures mortgages to assist carriers in acquiring new vessels, and it conducts programs for training officers and seamen for the merchant marine. For the present fiscal year the performance of these functions will involve the expenditure of approximately \$162,000,000 and the direction of an organization of 5,500 employees. In short, the administration of the Maritime Commission is a vast business undertaking. Moreover, the work of the Commission affects significantly the interests of both business and labor in the maintenance of a sound maritime industry.

Further than this, many of the activities of the Maritime Commission are closely related to other programs of the Government and have to be coordinated with them. In the construction of a subsidized ship the Commission must cooperate with the Coast Guard on those features of design, materials, and equipment which affect the safety of the vessel and with the Navy on those which

especially affect the use of the ship for national defense. Furthermore, the whole program of subsidized ship construction needs to be adjusted to the plans and requirements for national defense. At the same time the Commission's programs for the development of the merchant marine must be coordinated with our foreign policy and with Federal programs with respect to other branches of transportation.

While an independent commission is an appropriate instrument for the performance of the regulatory functions of the Maritime Commission, such an agency obviously is not the type required to provide strong and efficient administration of the large operating programs now entrusted to the Commission or to obtain the needed coordination with other activities of the Executive Branch. This fact is amply demonstrated by the administrative difficulties and the complicated problems of coordination encountered in the operation of the Commission since the war and by the necessity of transferring a large part of its functions to the War Shipping Administration, headed by a single executive, during the war.

Briefly, this reorganization plan provides for a small Federal Maritime Board and a Maritime Administration in the Department of Commerce to perform the functions of the Maritime Commission, and abolishes the existing Commission. It transfers to the Board the regulatory functions of the Commission and definitely guarantees the independence of the Board in the performance of these functions. In addition, it vests directly in the Board the determination and award of construction and operating differential subsidies. In the performance of its subsidy functions the Board will be subject to general policy guidance by the Secretary of Commerce. The Board, however, and it alone, will determine to whom subsidies shall be granted and will make and award the sub-

sidy contracts. Its actions therein will be conclusive and will not be subject to modification by any other agency or officer of the Department of Commerce. The other functions of the Maritime Commission, including carrying out the subsidy agreements made by the Board and administering the various operating programs, are transferred to the Secretary of Commerce for administration through the Maritime Administration. Thus, the plan provides for each of the two types of functions now vested in the Maritime Commission the type of organization best suited to its performance. At the same time, the plan will facilitate coordination of maritime policies and programs with other related policies and programs.

The division of functions under this plan conforms directly to the recommendations of the Commission on Organization of the Executive Branch of the Government. While the award of subsidies is a promotional rather than a regulatory function and might logically be assigned to the Maritime Administration instead of the Board, its impact on the shipping industry and on individual carriers is such as to make desirable the deliberation and combined judgment of a board. Accordingly, I have adhered to the recommendation of the Commission on Organization that this function be vested in a multiple body rather than a single official. Likewise, in line with the recommendations of the Commission, the plan assigns the determination of the over-all route pattern to the Secretary of Commerce.

The Maritime Board will consist of three members appointed by the President with the consent of the Senate for overlapping terms of four years. Not more than two of the members can be of the same political party. The Board, therefore, will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Com-

mission. The Chairman will be designated by the President from the members of the Board and will be, *ex officio*, the Maritime Administrator and as such the head of the Maritime Administration. The plan also provides for a Deputy Maritime Administrator appointed by the Secretary of Commerce under the classified civil service. After investigation I have found, and hereby declare, that by reason of the reorganizations made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the members of the Federal Maritime Board and for the appointment of the Deputy Maritime Administrator.

In making the Chairman of the Federal Maritime Board the Maritime Administrator, the plan adopts an arrangement substantially similar to that which prevailed during the war, when the same individual served as Chairman of the Maritime Commission and head of the War Shipping Administration. This arrangement will have important advantages. It will facilitate co-operation between the Board and the Administration of matters of concern to both. Also, it will avoid dividing the personnel of the Maritime Commission, since the Chairman of the Board will supervise the personnel assisting it in the performance of its functions, as is now the case in the Maritime Commission, and in his capacity as Administrator he will have charge of the personnel carrying on the work of the Maritime Administration. The plan provides for the joint operation of the officers and employees under the Administrator and Chairman as a single body of personnel. The maintenance of a unified staff is essential for efficient and economical administration because many of the technical and professional personnel, such as ship designers and attorneys, now assist the Maritime Commission on problems of subsidy determination

and also participate in the subsequent administration of subsidy agreements and in performing nonsubsidy functions.

The inclusion of the new Board in the Department of Commerce will permit the use of the administrative services of the Department. More important, it will eliminate the necessity of splitting the personnel of the Maritime Commission between the Department and an outside agency. In addition, it will relieve the President of having to handle relations with a separate maritime agency.

In establishing the Department of Commerce the Congress provided in the Organic Act of the Department that "It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, . . . shipping, . . . and the transportation facilities of the United States." Over the years, however, transportation functions have become widely scattered throughout the Executive Branch. As a result, intelligent planning and budgeting of Federal transportation activities and the necessary coordination of transportation programs have become extremely difficult or impossible. The transfer of the functions of the Maritime Commission to the Department of Commerce will constitute a major step in correcting this condition.

Without question the Department of Commerce is now the appropriate center for transportation programs. It contains the Civil Aeronautics Administration—the major operating and promotional agency of the Government in the field of air transportation—and the Weather Bureau and the Coast and Geodetic Survey, which provide vital services to transportation. As a result of Reorganization Plan No. 7 of 1949, it now also includes the Bureau of Public Roads—the leading promotional agency dealing with land transportation. Also, it has the Inland Water-

ways Corporation in the field of water transportation. The transfer of the functions of the Maritime Commission will bring into the Department the principal water transportation agency of the Government. These actions will go a long way toward the establishment of a sound and effective organization for the operating and promotional programs of the Government relating to transportation.

It is my purpose to look to the Secretary of Commerce for leadership with respect to transportation problems and for the development of over-all transportation policy within the Executive Branch. Because of the magnitude and importance of the transportation functions transferred to the Department of Commerce by this reorganization plan, I have found and hereby declare that it is necessary to strengthen the top administrative structure of the Department by providing for the appointment and compensation of a new Under Secretary of Commerce for Transportation. This will make available an officer of the highest rank to assist the Secretary in supervising the varied and complex transportation programs of the Department and providing central leadership in transportation matters. With the many responsibilities of the Secretary of Commerce in other areas, the creation of this office is essential to enable him properly to fulfill his obligations with respect to transportation.

After careful investigation I have found and I hereby declare that each of the reorganizations contained in this reorganization plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. The rates of compensation fixed by the provisions of the reorganization plan for the Under Secretary of Commerce for Transportation, the Chairman and the other two members of the Federal Maritime Board are, respectively,

those which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

In summary, the reorganizations provided by this plan will have the following principal advantages: They will provide an efficient organization headed by a single responsible official to administer the large operating and business-type programs of the Maritime Commission. At the same time, they will preserve the benefits of a bi-partisan board for the performance of the regulatory functions of the Commission and the determination of subsidies. They will reduce the number of agencies reporting directly to the President and simplify the over-all management of the Executive Branch. In doing so, they will provide more adequate machinery for supervising the administration of the maritime programs and will facilitate

their coordination with related policies and programs of the Executive Branch. Finally, they will accomplish a major advance in the development of an effective organization of Federal transportation programs in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. While it is impossible to estimate in advance the savings which will be brought about by this plan, the improvements in administrative efficiency resulting from it should produce substantial reductions in expenditures for the programs transferred by the plan.

HARRY S. TRUMAN

NOTE: Reorganization Plan 21 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1273) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1012). It became effective on May 24, 1950.

77 Statement by the President on the National Capital Sesquicentennial Commission. *March 15, 1950*

I HAVE examined reports on the progress made by the National Capital Sesquicentennial Commission and have been encouraged to note that many of the difficulties caused by the long delay in obtaining an appropriation for the work of the Commission are now being surmounted. Because of lack of funds, the Commission was faced with the difficult task of creating a celebration of major proportions in less than a third of the time usually available for such purposes. The Commission's work has now reached a point at which a number of its plans for a suitable observance of the sesquicentennial anniversary are ready for actual operation.

It has been found necessary to postpone the Freedom Fair for a year. Certain legal questions must be settled, and a suitable site must be chosen, before a final decision can be

reached on the eventual size and scope of the fair. I hope that all these problems will soon be resolved; for the Freedom Fair can, by its demonstration of the growth of our Nation under free enterprise, do much to show to the world the strength of our institutions.

The remainder of the plans for the observance of the 150th anniversary of the establishment of the Federal Government in the city of Washington are well advanced. Collectively, they will provide a stimulating and interesting program, one which should attract many thousands of our citizens to Washington to join with us in the celebration and help to give it the truly national character it should have.

The work of the Commission deserves the full support of the citizens of Washington. I am sure that they will welcome this oppor-

tunity to manifest their faith in our governmental system, of which the city of Washington is a noble symbol.

NOTE: On April 12, 1950, the President signed Proclamation 2881 "National Capital Sesquicentennial" (3 CFR, 1949-1953 Comp., p. 54).

In a telegram dated May 10, 1950, Carter Barron, Executive Vice Chairman of the Sesquicentennial Commission, informed the President that the Commission's Executive Committee had decided to recommend that the proposed Freedom Fair be abandoned.

78 Letter to the Chairman, House Committee on Foreign Affairs, Urging Enactment of the Foreign Assistance Act. *March 25, 1950*

My dear Mr. Chairman:

I understand that the House of Representatives will soon consider the Foreign Assistance Act of 1950. I believe the Congress of the United States has an opportunity to strike a major blow for peace on behalf of people everywhere by taking rapid and favorable action on this legislation.

Approval of this measure will give renewed hope and vigor to people everywhere who are working to achieve their economic independence and maintain their political freedom. Passage of this Act will strengthen all nations threatened with intimidation, subversion, or direct aggression.

It is in the interest of each American that there be a far greater measure of well-being in other lands. Other countries must be able to produce and procure from us and each other those things which will enable their people to have the food, health, and housing necessary to maintain economic and political stability.

Poverty, misery, and insecurity are the conditions on which communism thrives. Freedom-loving peoples can eliminate these conditions only by joining their knowledge and resources in a great cooperative effort.

The Foreign Assistance Act will authorize continued economic aid to the Marshall Plan countries in Europe and to the Republic of Korea to enable them, through their own efforts, to establish self-supporting econo-

mies. It will authorize aid where needed to those free countries in the general area of China whose survival is threatened by the imminent danger of communist infiltration. This Act will provide authority for a major effort to assist the peoples of southeast Asia.

It will provide for participation in the United Nations effort to solve the serious problem of the Palestine refugees. Satisfactory solution of this problem is fundamental to permanent peace in the Near East.

The Act will authorize the carrying forward of the vital program of technical and other assistance to under-developed countries which was the fourth point in my inaugural address. This will provide the peoples in under-developed areas of Asia, the middle East, and other parts of the world the hope and the tools they need to achieve and maintain real freedom for themselves.

The program called for by this Act is the minimum consistent with the interest of the United States and our efforts to achieve a peaceful world. Failure to enact it in its full amount would do irreparable damage. We cannot live isolated in relative wealth and abundance. We cannot ignore the urgent problems of other peoples or threats to their independence.

These measures are not acts of charity. Neither are they a waste of the resources of the United States. They are, indeed, the keystone of our protection against the de-

struction of another war and against the terrible weapons of this atomic age. Our armed forces can afford us a measure of defense, but real security for our Nation and all the rest of mankind can come only from building the kind of world where men can live together in peace.

The United States turned its back upon the rest of the world after the first world war. Some twenty years later, we found that we had to fight another world war. We cannot afford to follow that course again. We will save nothing if we ignore the needs of other nations now only to find that the result is World War III.

Passage of this Act will enable us in company with other nations to move a long step

forward in our offensive for freedom and for peace. It will bring appreciably nearer the goal all freedom-loving peoples seek—a peace where all nations live in equality and mutual respect. It will be tangible evidence of our determination to achieve this kind of peace—evidence which will be understood by every nation in the world.

Sincerely yours,

HARRY S. TRUMAN

[Honorable John Kee, Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D.C.]

NOTE: For the President's statement upon signing the Foreign Economic Assistance Act of 1950, see Item 154.

The letter was released at Key West, Fla.

79 Letters Regarding Disclosure of Confidential Files on Employee Loyalty. *March 28, 1950*

Dear Senator Tydings:

This is in reply to your letter of March 22, 1950, in which you have asked for the production before your Subcommittee of the investigative files relating to Government employees who are or have been employed in the Department of State and against whom charges of disloyalty have been made before your Subcommittee by Senator McCarthy. The question raised by your request is one of grave concern, and I have given very careful consideration to the response contained herein.

In March of 1948, I issued a Directive to all officers and employees in the Executive Branch of the Government, directing that all reports, records, and files relating to the employee loyalty program be kept in strict confidence, even in instances where subpoenas were received. As you know, this Directive was clearly within the power of the President, and I issued it only after the most careful consideration, and after I had

satisfied myself beyond any doubt that any other decision would have resulted in the collapse of the loyalty program.

At that time, I issued a release in which I pointed out the long-standing precedents regarding the production of confidential files and the reasons for my decision. I referred, among other things, to a letter from former Attorney General Robert H. Jackson, dated April 30, 1941, to the Chairman of the House Committee on Naval Affairs, declining to furnish that Committee with certain reports of the Federal Bureau of Investigation, which letter was written with the approval and at the direction of President Roosevelt. That letter forcefully pointed out the serious consequences that would have resulted from compliance with the request of the House Naval Affairs Committee.

Among other things, Attorney General Jackson stated:

"Moreover, disclosure of the reports would be of serious prejudice to the future useful-

ness of the Federal Bureau of Investigation. As you probably know, much of this information is given in confidence and can only be obtained upon pledge not to disclose its sources. A disclosure of the sources would embarrass informants—sometimes in their employment, sometimes in their social relations, and in extreme cases might even endanger their lives. We regard the keeping of faith with confidential informants as an indispensable condition of future efficiency.

“Disclosure of information contained in the reports might also be the grossest kind of injustice to innocent individuals. Investigative reports include leads and suspicions, and sometimes even the statements of malicious or misinformed people.

“Even though later and more complete reports exonerate the individuals, the use of particular or selected reports might constitute the grossest injustice, and we all know that a correction never catches up with an accusation.”

These three elements—the serious prejudice to the effectiveness of the Federal Bureau of Investigation as an investigative agency, the resulting embarrassment and danger to confidential informants, and injustice and unfairness to innocent individuals—led me to the inescapable conclusion that the single most important element in an effective and at the same time just and fair loyalty program was the preservation of all files in connection therewith in the strictest confidence. I cannot over-emphasize this point.

During the last month, I have been re-examining with utmost care this entire problem, and in this connection I have asked the Attorney General, the Director of the Federal Bureau of Investigation, and Mr. Seth Richardson, Chairman of the Loyalty Review Board, to give their careful consideration to this matter. They have unanimously advised me that disclosure of loyalty files would be contrary to the public interest, and would

do much more harm than good. The Director of the Federal Bureau of Investigation in a report to the Attorney General has outlined the very serious consequences that would result from any such disclosure. The Director of the Federal Bureau of Investigation stated:

1. The public disclosure of F.B.I. reports will reveal investigative procedures and techniques. If publicized, criminals, foreign agents, subversives, and others would thus be forewarned and seek ways and means to carry out their activities, thus avoiding detection and hampering the efficiency of an investigative agency. The underground operations of criminals and subversives already are most difficult of detection, and I do not believe the security of the Nation would be furthered by applying any additional shackles to the F.B.I.

2. For the last 25 years, the F.B.I. has represented to the American public that the F.B.I. would maintain their confidences. To make public F.B.I. reports would be to break confidences, and persons interviewed in the future might be even more reluctant to furnish information. In recent months, on numerous occasions, some citizens, shirking their responsibilities, have refused to furnish information on the grounds that it might be misused, and have gone so far as to decline to furnish information, even in application investigations, claiming they would do so only if forced by a subpoena.

3. A public disclosure of F.B.I. reports would reveal the identity of sources of information, and in some cases, at least, would place in jeopardy the lives of confidential sources of information.

4. Disclosure of information contained in F.B.I. reports might result in an injustice to innocent individuals, who find themselves entwined in a web of suspicious circumstances, which can be explained only by further investigation, and disclosures might

be made under circumstances which would deny the aggrieved the opportunity to publicly state their positions.

5. A public disclosure could warn persons whose names appear in F.B.I. reports of the investigation, and serve as an effective means of enabling them to avoid detection, to approach witnesses, to bring about the destruction of evidence, or permit them to flee the country.

6. Public disclosure of F.B.I. reports could contribute to blackmail of persons investigated, or could result in degrading persons who have made a mistake or fallen prey to false propaganda.

7. Disclosure might reveal highly restricted information vital to the national security and of considerable value to a foreign power.

8. F.B.I. reports set forth full details secured from a witness, and if disclosed, could be subject to misinterpretation, quoting out of context, or used to thwart truth, distort half-truths, and misrepresent facts.

It is my desire, however, that the charges of disloyalty made before your Subcommittee be given the most thorough and complete investigation, and it is my purpose to cooperate with your Subcommittee to the greatest extent possible, bearing in mind at all times my responsibility to take care that the investigative activities and efficiency of the Federal Bureau of Investigation and other investigative agencies remain unimpaired, that innocent people—both those under investigation and those who have provided information—not be unnecessarily injured, and that the effectiveness of the employee loyalty program as a whole not be interfered with.

I am, therefore, asking Mr. Seth Richardson, Chairman of the Loyalty Review Board, to have the Board arrange for a complete and detailed review, as soon as possible, of the cases in which charges of disloyalty have

been made before your Subcommittee (including cases heretofore reviewed by the Board), and am asking him to give me a full and complete report after review.

This review will include reports of loyalty investigation made by the Federal Bureau of Investigation, and the files of the State Department and the Civil Service Commission relating to these cases, as well as all other evidence of disloyalty made available to the Loyalty Review Board, including, of course, any evidence produced before your Subcommittee.

Upon receipt of Mr. Richardson's report, I will advise your Subcommittee further.

For your information, I am attaching hereto a list of the Members of the Loyalty Review Board.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Millard E. Tydings, United States Senate, Washington, D.C.]

Dear Mr. Richardson:

I am enclosing herewith a copy of a letter which I am sending to Senator Tydings, with reference to the investigation now being conducted by the Subcommittee of the Senate Committee on Foreign Relations of Government employees who are or have been employed in the Department of State and against whom charges of disloyalty have been made. I believe the letter is self-explanatory.

In accordance with the letter, I would appreciate it if the Loyalty Review Board would arrange for a complete and detailed review, as soon as possible, of the cases in which charges of disloyalty have been made before Senator Tyding's Subcommittee. This review should include cases which have heretofore been reviewed by the Board, and should include a review of reports of loyalty investigations made by the Federal Bureau of Investigation and files of the State Department and the Civil Service Commission re-

lating to such cases, as well as a review of all other evidence of disloyalty made available to you, including of course any evidence produced before the Subcommittee.

Would you please furnish me with a full and complete report after completion of the Board's review?

Sincerely yours,

HARRY S. TRUMAN

[Honorable Seth W. Richardson, Chairman, Loyalty Review Board, United States Civil Service Commission, Washington, D.C.]

NOTE: Senator Tydings, in his letter to the President of March 22, requested that his committee be permitted to examine the files of the State Department, the Loyalty Board, and the FBI "as to what these files contain concerning nine persons named by Senator McCarthy in opening hearings and eighty persons named by number against whom charges of one kind or another were made by Senator McCarthy in a speech on the Senate floor on February 20, 1950."

For a further letter to Senator Tydings, dated April 3, again refusing to disclose confidential information on employee loyalty, see Item 82.

Senator Tydings' subcommittee report states that on May 4, "upon ascertaining that the cases with respect to the individuals named by Senator McCarthy were identical with individuals whose loyalty files had previously been reviewed by four committees of the Eightieth Congress, the President . . . agreed to make the loyalty files available for review by our subcommittee with respect to such individuals, on the theory that to do so would not establish a precedent for subsequent exceptions in violation of his March 13, 1948, directive" (Senate Report 2108, State Department Employee Loyalty Investigation, p. 9). The President's directive of March 13, 1948, is Item 50, 1948 volume, this series.

On April 5, 1950, Seth Richardson, Chairman of the Loyalty Review Board, stated before the Tydings' subcommittee that "not one single case or evidence directing towards a case of espionage has been disclosed in the record. . . . I say it is an extraordinary thing that not one single syllable of evidence has been found by the FBI, efficient as they are, indicating that a particular case involves a question of espionage" (State Department Employee Loyalty Investigation, Hearings, subcommittee of the Committee on Foreign Relations, Senate, 81st Cong., 2d sess., pt. 1, p. 409).

The President's letters to Senator Tydings and Mr. Richardson were released at Key West, Fla.

80 The President's News Conference at Key West.

March 30, 1950

THE PRESIDENT. I will answer any questions I can, if you want to start in.

[1.] Q. Mr. President, the New York Times this morning carried a story saying that you had suggested Secretary Acheson explore with Senator Vandenberg and other Republicans the possibility of appointing a Republican as Ambassador at Large to help out on bipartisan Asiatic policy.

THE PRESIDENT. The matter has been discussed.

Q. Are you nearing a decision on that, sir?

THE PRESIDENT. Working on it. No decision as yet.

Q. Have you got a nominee in mind, Mr. President?

THE PRESIDENT. No. No, I haven't. Sev-

eral under consideration. It is nothing unusual or new at all. The Republican members of the United Nations delegation and the same people who have been in on the foreign policy have always been consulted about the world policy. It is not an Asiatic policy or a European policy; it is a world policy. The foreign policy of the United States covers the whole globe, and always has ever since I have been President.

Q. Well, Mr. President, is it an Ambassador at Large on Asiatic policy or world policy?

THE PRESIDENT. World policy. The whole thing will be a world policy program. Ambassador Jessup has been making a preliminary survey in the Eastern Hemisphere on

the subject. It is not confined to any one place.

We are trying to implement the United Nations on the basis where it will work under the charter for the purpose for which it was intended, where all countries can meet and discuss their problems and come to agreement without having to feud each other over it. That is the object of the whole thing. World peace is what we are working for, and our policy hasn't changed, and our approach to it has never changed since I have been President.

Q. Mr. President, would this particular position be similar to the one held by Mr. Jessup? He is an Ambassador at Large.

THE PRESIDENT. That's right. It's just a part of the foreign policy team of the United States. And it's a bipartisan policy. That is what we have always endeavored to maintain. It has been the same under every Secretary of State since Cordell Hull, who instituted it.

[2.] Q. Mr. President, are you ready as yet to make any announcements regarding some of the reported appointments that are impending?

THE PRESIDENT. When you get through asking questions on other subjects, I will talk to you about it. I don't want that fence broken down. [*Laughter*]

[3.] Q. Could you comment, sir, on General Eisenhower's statement before the congressional committee?¹

THE PRESIDENT. The statements of General Eisenhower before the congressional committee were fundamentally in complete agreement with the policies which we have

pursued right along. No fundamental difference between us.

Q. What you have laid down in your conferences with the General?

THE PRESIDENT. Yes—well, in the Budget Message. And Eisenhower was in on the conferences that were held. General Eisenhower, and General Marshall, and all those able and distinguished gentlemen—Admiral Nimitz—were consulted with regard to the budget and its program. And the General's testimony was in almost complete agreement with that arrangement.

Q. Mr. President, do you agree with General Eisenhower that our defenses are possibly below the point of safety?

THE PRESIDENT. No, I do not. I don't think General Eisenhower intended to imply that. I have read his testimony.

Q. I was thinking in terms of his speech Saturday night.²

THE PRESIDENT. Oh, well, you know in making speeches you must remember that everybody has his ideas on public speaking, but the record before the Senate committee is what you have to go on.

Q. Mr. President, yesterday the stories from Washington said that General Eisenhower said he thought this country was taking chances in the cold war by not spending more on air force, antisubmarine work, and Alaskan bases?

THE PRESIDENT. That is a natural feeling for any military man. If I didn't have in view the overall budget of the United States, the military people would have more than half of it. They asked for \$22 billion. You know they can't have that, and they know it, too.

¹ Gen. Dwight D. Eisenhower appeared before the Senate Appropriations Subcommittee on March 29, 1950. He testified that "several hundred millions" of dollars probably should be added to President Truman's military budget to strike a proper balance between the requirements of economy and security.

² General Eisenhower, president of Columbia University, speaking at the University on March 23, stated that disarmament in some of its phases had gone beyond the degree that he could "possibly advise, until we have certain knowledge that all nations, in concerted action, are doing likewise."

Q. That was the figure which, as I recall about a year ago, you said—coming back from West Virginia—you said that was between \$22 and \$23 billion, didn't you?

THE PRESIDENT. Yes, that is correct. I don't blame them for that, because they naturally want a perfected machine. But we have to furnish the best defense machine we possibly can with the funds that we have available.

Q. That is what you said then, sir.

[At this point the President was given his coat, which he put on.]

THE PRESIDENT. Do you think I'm getting cold? [Laughter]

Q. In other words, you don't think this 13 billion endangers the country?

THE PRESIDENT. Not the slightest. If I thought so, I would ask for more money. [Laughter] The budget—I think the budget speaks for itself.

[4.] Q. Mr. President, do you think Senator McCarthy is getting anywhere in his attempt to win the case against the State Department?³

THE PRESIDENT. What's that?

Q. Do you think that Senator McCarthy can show any disloyalty exists in the State Department?

THE PRESIDENT. I think the greatest asset that the Kremlin has is Senator McCarthy.

Q. Would you care to elaborate on that?

THE PRESIDENT. I don't think it needs any elaboration—I don't think it needs any elaboration.

Q. Brother, will that hit page one tomorrow!

Q. If you think we are going to bust down the fence on what you have got later, that's a pretty good starter. [Laughter]

Q. Mr. President, could we quote that one phrase, "I think the greatest asset the Kremlin has is Senator McCarthy"?

³ See Item 79 and note.

THE PRESIDENT. Now let me give you a little preliminary, and then I will tell you what I think you ought to do. Let me tell you what the situation is.

We started out in 1945, when I became President, and the two wars were still going on, and the Russians were our allies, just the same as the British and the French and Brazil and the South American countries. And we won the war together.

We organized the United Nations in April 1945, and one of the first questions that was asked me, after I was sworn in at 7:09 o'clock on the 12th of April, was whether or not the San Francisco conference on the United Nations should go ahead. And I said it certainly will. It went ahead and we finally succeeded in getting a charter and getting it agreed to by I think 51 nations, if I remember correctly.

Then our objective was to—as quickly as possible—get peace in the world. We made certain agreements with the Russians and the British and the French and the Chinese. We kept those agreements to the letter. They have nearly all been—those agreements where the Russians were involved—been broken by the Russians. And it became perfectly evident that they had no intention of carrying out the fundamental principles of the United Nations Charter and the agreements which had been made at Teheran, Yalta, and Potsdam. And it became evident that there was an endeavor on the part of the Kremlin to control the world.

A procedure was instituted which came to be known as the cold war. The airlift to Berlin was only one phase of it. People became alarmed here in the United States then, that there might be people whose sympathies were with the Communist ideal of government—which is not communism under any circumstances, it is totalitarianism of the worst brand. There isn't any difference between the totalitarian Russian Government

and the Hitler government and the Franco government in Spain. They are all alike. They are police state governments.

In 1947 I instituted a loyalty program for Government employees, and that loyalty procedure program was set up in such a way that the rights of individuals were respected.

In a survey of the 2,200,000 employees at that time, I think there were some 205—something like that—who left the service. I don't know—a great many of them left of their own accord.

Q. How many, Mr. President?

THE PRESIDENT. Somewhere in the neighborhood of 205. Does anybody remember those figures exactly? It's a very small figure.

Q. Very small.

THE PRESIDENT. An infinitesimal part of 1 percent. We will get the figures for you.

And then, for political background, the Republicans have been trying vainly to find an issue on which to make a bid for the control of the Congress for next year. They tried "statism." They tried "welfare state." They tried "socialism." And there are a certain number of members of the Republican Party who are trying to dig up that old malodorous dead horse called "isolationism." And in order to do that, they are perfectly willing to sabotage the bipartisan foreign policy of the United States. And this fiasco which has been going on in the Senate is the very best asset that the Kremlin could have in the operation of the cold war. And that is what I mean when I say that McCarthy's antics are the best asset that the Kremlin can have.

Now, if anybody really felt that there were disloyal people in the employ of the Government, the proper and the honorable way to handle the situation would be to come to the President of the United States and say, "This man is a disloyal person. He is in such and such a department." We will

investigate him immediately, and if he were a disloyal person he would be immediately fired.

That is not what they want. They are trying to create an issue, and it is going to be just as big a fiasco as the campaign in New York and other places on these other false and fatuous issues.

With a little bit of intelligence they could find an issue at home without a bit of trouble!

Q. What would it be, Mr. President?

THE PRESIDENT. Anything in the domestic line. I will meet them on any subject they want, but to try to sabotage the foreign policy of the United States, in the face of the situation with which we are faced, is just as bad as trying to cut the Army in time of war.

Q. On that question we were just kidding.

THE PRESIDENT. And that gave me a chance to give you an answer. To try to sabotage the foreign policy of the United States is just as bad in this cold war as it would be to shoot our soldiers in the back in a hot war.

I am fed up with what is going on, and I am giving you the facts as I see them.

[5.] Q. Mr. President, do you consider the Republican Party as a party?

THE PRESIDENT. The policy of the Republican Party has endorsed the antics of Mr. McCarthy.

Q. That affects the bipartisan——

THE PRESIDENT. That's what it is for—that's what it is for. They are anxious for the return of isolationism.

Q. Do you think that this has torpedoed, then, the bipartisan——

THE PRESIDENT. It is an endeavor to torpedo the bipartisan foreign policy. They are not going to succeed, because the level-headed Republicans do not believe that at all, as note Mr. Stimson, Senator Vandenberg, Senator Saltonstall, and a dozen others I could name, who know exactly what is going on and are trying their best to cooperate.

And I am going to try to help them prevent it going under.

Q. Well, Mr. President, to carry that out to its logical conclusion, when these people come up for reelection, with the grace of God and so on, there is nothing that the Democratic Party can do except simply to sit on the sidelines and say, "Well?"

THE PRESIDENT. Well, it's too bad. It's a dangerous situation, and it has got to be stopped. And every citizen in the United States is going to find out just exactly what the facts are when I get through with this thing.

Q. You will stand up on one side, and they will stand up on the other?

THE PRESIDENT. There's only one side that the people will stay on, and that is the side that will lead to peace. That is all we are after. This is just another fiasco to find an issue. This is not it.

Q. Mr. President, would you like to name any others besides Senator McCarthy who have participated in this attempt to sabotage our foreign policy?

THE PRESIDENT. Senator Wherry.

Q. Yes, sir?

THE PRESIDENT. Senator Bridges.

Q. Yes, sir?

THE PRESIDENT. That's about as far as I care to go.

Q. Okay, sir.

[6.] Q. Now, what I forgot to say was would you like to say anything about Mr. Acheson and Mr. Lattimore,⁴ and—what's his name—the Ambassador at Large?

THE PRESIDENT. Jessup. I think I made myself perfectly clear that I think Dean Acheson will go down in history as one of the great Secretaries of State. You know very well that Mr. Jessup is as able and distinguished a citizen as this country has ever

produced. Lattimore is a member of the faculty of Johns Hopkins University and is a very well informed person on foreign affairs.

Q. You don't believe he is a spy?

THE PRESIDENT. Why of course not. It's silly on the face of it.

Q. Mr. President, don't you think the American people recognize this for what it is?

THE PRESIDENT. There is no doubt about it. I am just emphatically bringing it to their attention.

[7.] Q. For direct quotes, could we have that, "I think the greatest asset—"

THE PRESIDENT. I would rather you would say that the greatest asset the Kremlin has is the present approach of those in the Senate who are trying to sabotage the bipartisan foreign policy.

Q. Could we have that read back to us?

THE PRESIDENT. Sure. Jack?

Mr. Romagna. I'm all balled up.

THE PRESIDENT. Take your time—take your time.

[As the White House Official Reporter pondered, the President rephrased the statement.]

The greatest asset that the Kremlin has is the partisan attempt in the Senate to sabotage the bipartisan foreign policy of the United States.

Q. This may seem redundant, but this is just for the record. The partisan effort, of course, is the effort by the Republicans in the Senate—

THE PRESIDENT. Well now, I didn't say that, "partisan effort." Leave it at that. Draw your own conclusions.

[8.] I am going to make some changes on the appointment front. I have drafted Stuart Symington to be Chairman of the National Security Resources Board, and as soon as I have named his successor, which will be in a week or 10 days, he will take

⁴ Owen Lattimore, former official of the Office of War Information.

over. He will stay as Secretary for Air until his successor is appointed and confirmed.

I am going to make Gordon Gray, for the time that he has left—you see he is going down as president of the University of North Carolina—between now and the time that he goes I am going to make him a Special Assistant to the President, to mobilize and coordinate the work in the various agencies of the Government, for an analysis of the factors bearing on the “dollar gap” disparity between exports and imports in the United States. I hope that out of these studies and a full public discussion of the issues will be developed, along bipartisan principles, policies and programs which seem most likely to offer a solution to that urgent problem. That is the greatest problem with which we are faced now. Charlie⁵ will furnish you with a statement on it regarding Gordon Gray.

I am going to make Frank Pace Secretary for the Army. I am going to appoint him—he has to be confirmed, you understand—and Fred Lawton, who is now Assistant Director of the Budget, will be Director of the Budget.

And Elmer Staats—

Q. How is that name spelled?

THE PRESIDENT. S-t-a-a-t-s—Elmer B. Staats will step up from the Executive Assistant to the Director of the Budget Bureau to the Assistant to the Budget Director. He will take Fred Lawton’s place.

Q. Mr. President, this raises the question about Lawton. He has been in and out of that job, I’d say two—three times. There has always been a question as to his status.

THE PRESIDENT. He has always been “acting” before, and he is going to be the Budget Director now. That is what we are trying to get at. He will be the Budget Director.

⁵ Charles G. Ross, Secretary to the President.

Q. Mr. President, are there any more?

THE PRESIDENT. I have got one more—no more appointments, no.

Q. Will Frank Pace become Secretary of the Army right away then, or very soon?

THE PRESIDENT. Yes—immediately. All these appointments will be set up, and just as soon as they are confirmed, he will take over.

Q. May I ask on one point, whether Thomas K. Finletter will succeed Symington?

THE PRESIDENT. I am not ready to answer any questions on that. When the time comes, I will announce his successor.⁶

Q. Will Gray leave now to take on his new appointment?

THE PRESIDENT. Now, yes. As soon as Pace is confirmed.

[9.] Q. Mr. President, that dollar gap you spoke of, that would make it possible only by stimulating imports to the United States?

THE PRESIDENT. That is what I am appointing this Director for, to find out just exactly what the remedy is. Last year we exported \$16 billion worth of goods and services and received in return \$10 billion worth. You can’t keep on doing business on that basis. That’s what this is for, to find out what the answer is, and I can’t give you the answer now. If I could, I wouldn’t have to appoint the fellow.

[10.] I had a telegram from the Governor of Montana, informing me that there had been an extreme emergency caused by late snow up there, and I have asked the General Services Administration to make an investigation and if it develops, why we will follow the same procedure we did before in the same circumstances.

⁶ The Senate confirmed the nomination of Thomas K. Finletter as Secretary of the Air Force on April 13, 1950.

Q. Give them money?

THE PRESIDENT. How's that? Furnish them with the machinery.

[11.] Q. How long will Mr. Gray stay in this new job?

THE PRESIDENT. Takes about 3 or 4 months. He will probably want to leave before school starts in North Carolina.

Q. That will mean, say, in August?

THE PRESIDENT. Well, I am willing for him to stay as long as he can under the circumstances. He will probably stay at least until the first of August. It won't take long to get the facts and things, and then we will go on from there.

Q. In other words, this is a specific job?

THE PRESIDENT. That's right. This will be the beginning of it. What he is doing will be to coordinate it, and we go on from there. When he has to go to North Carolina, we will appoint another Director.

[12.] Q. Mr. President, I don't like to go back, but—

THE PRESIDENT. Go right ahead.

Q. —I just wondered whether the question of a world policy program, which you mentioned previously in connection with the appointment of a new Ambassador at Large, is that something entirely new that you are now planning?

THE PRESIDENT. No, no, no. You see, John Foster Dulles was in that capacity before. We have got Mr. Cooper⁷ in the Dulles place, when Mr. Dulles went into politics, and we are now enlarging the thing

⁷ John Sherman Cooper.

to some extent. Along with Cooper, we are going to appoint another outstanding Republican, who believes in the United Nations, to go along with us and help us continue to coordinate the foreign policy of the United States.

Q. Would it be United Nations?

THE PRESIDENT. No, this is a United States program.

Q. In effect he will succeed Jessup?

THE PRESIDENT. That is correct—that's right.

Q. Jessup, then, will no longer have the title of Ambassador at Large in his new position?

THE PRESIDENT. No.

Q. What is his new title?

THE PRESIDENT. Assistant to the Secretary of State.

Q. Mr. President, have you asked Mr. Vandenberg and other Republicans to suggest a candidate for the job?

THE PRESIDENT. Yes, I have.

Q. You have?

THE PRESIDENT. I have. I have, through the Secretary of State. I authorized the Secretary of State to make such a request.

Reporter: Mr. President, we have had a wonderful time at your lawn party, and thank you very much.

NOTE: President Truman's two hundred and twenty-first news conference was held on the lawn of the Little White House, Key West, Fla., at 4:15 p.m. on Thursday, March 30, 1950. The White House Official Reporter noted that preceding the conference the President had entertained the newsmen at a picnic on the lawn.

81 Letter to Gordon Gray Regarding His Appointment as Special Assistant to the President. *April 3, 1950*

[Released April 3, 1950. Dated March 31, 1950]

My dear Mr. Gray:

I am highly pleased that you find it possible to undertake an assignment as Special

Assistant to the President prior to assuming your duties later this year as President of the University of North Carolina. The task

which you are undertaking is of major importance to this country.

Today the American people can look back with pride over our record in the field of foreign policy during the past five years. It is a record of achievement in creating a strong base for military defenses against the forces of aggression; in the development of international political institutions; and in creating economic programs designed to reinforce and expand the economic base for world peace.

It is hardly necessary to emphasize again that economic security is an essential element of political security. Our people adopted such programs as the European Recovery Program and aid to Greece, Turkey and Korea, in the belief that, as the free nations felt the surge of economic strength and the reassurance of normal economic relationships, hope and freedom would be revived, sustained, and strengthened. This assistance is essential to help not only Europe but other areas of the world to recover from the war and to strengthen their economies against communist subversion or aggression.

As the result of foreign efforts and American assistance, in many areas production has increased to the point where shortages have diminished and the central international economic problem has shifted to the field of trade. Most countries of the world are dependent upon foreign trade for their economic survival. Their problem is especially difficult because prewar trade patterns have been destroyed, sources of supply have shifted, and sources of foreign exchange income have changed.

The United States is at present helping to meet these difficulties by sending abroad much more of the product of American farms and factories than other nations are able to pay for from the sale of their own goods and services.

This extraordinary assistance is of course

a temporary measure. Our basic purpose has been, and must continue to be, to help build a structure of international economic relationships which will permit each country, through the free flow of goods and capital, to achieve sound economic growth without the necessity for special financial aid.

We must be certain that we are taking every possible step to attain this objective. We have a vital economic interest in its achievement. The present unbalanced situation places a heavy burden upon our national Budget. We are now a creditor nation, and this fact has an important bearing on both our domestic and foreign policies. We cannot continue to sell our goods abroad, or receive a return on our public and private investments abroad, unless foreign countries can obtain the necessary dollars to make their payments.

This is of course not solely a United States problem. I am gratified that so many other countries are looking ahead and taking vigorous steps directed toward achieving their self-support. It is now time for us also to look ahead and assure ourselves that our own policies are those which will serve best to reinforce our economic strength and that of the other free nations of the world.

This complex problem, affecting as it does the interests of all segments of the American people, also involves many agencies of this Government. For some time I have been considering how best to mobilize the resources of the Government and the experience and thinking of our people in charting our course. To this end, I have decided to appoint you as Special Assistant to the President to assist in this task. Your principal role in this position will be to advise and assist in coordinating and stimulating the activities of the various Governmental agencies which can contribute to the solution of the problem. I shall also look to you to obtain the views of experts and interested groups

outside the Government on particular aspects of the problem.

I feel that this task is above partisanship, and I am sure that your approach to it will make this abundantly clear. The first phase of our work is to determine the nature, dimensions, and significance of this problem. In the light of this understanding, we must develop the broad lines of policy which in turn must be laid before the people and the Congress. This approach must have as its final goal a practical and forward-looking course of action.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Gordon Gray, Secretary of the Army, Washington, D.C.]

NOTE: The text of Mr. Gray's letter, dated April 1, was released with the President's reply.

On April 3 the White House released a background paper on the balance of payments problem.

Noting that the United States exported \$16 billion worth of goods and services per year while importing only about \$10 billion worth, the release stated that "the reduction and eventual termination of foreign assistance will create tremendous economic problems at home and abroad unless vigorous steps are taken both by the United States and foreign countries. If no offsetting measures are worked out, it may well be that United States exports will be sharply reduced, with serious repercussions on our domestic economy, and with equally serious effects on friendly areas of the world which are dependent on our goods."

In conclusion the release stated, "There is increasing recognition in the United States that we are a great creditor nation and that we cannot continue to sell our goods abroad, or receive a return on our investments and the credit obligations due us, unless foreign countries in some way or other can obtain the necessary hard currency to make these payments. . . . The goal toward which all nations must work is clear—one where international trade flows freely with as little arbitrary interference as possible."

The President's letter was released at Key West, Fla.

82 Letter to Senator Tydings Again Refusing To Disclose Confidential Information on Employee Loyalty. *April 3, 1950*

Dear Senator Tydings:

The Secretary of State, the Attorney General, and the Chairman of the Civil Service Commission have referred to me the matter of the subpoenas which have been served on them, directing them to appear on April 4, 1950, before the Subcommittee established by the Committee on Foreign Relations of the Senate, pursuant to S. Res. 231, 81st Congress, and to produce various documents and papers relating to a number of persons whose names appear on a confidential list attached to each subpoena.

In my letter to you of March 28, 1950, I stated the reasons why the confidential loyalty files of Government employees should not be produced. I should like at this time to re-state those reasons briefly.

The disclosure of these files would seriously prejudice the future effectiveness and usefulness of the Federal Bureau of Investigation as an investigative agency; the embarrassment, and even danger, to those who have given confidential information cannot be overemphasized. Disclosure would not only deprive the Federal Bureau of Investigation and other investigative agencies of the Government of the availability of those confidential informants in the future, but would also gravely impair their ability to gather confidential information from other sources as well.

The employee loyalty program depends upon the investigative services of the Federal Bureau of Investigation. The disclosure of the files would, therefore, result in serious

harm to that program. Such disclosure, instead of helping to keep disloyal people out of the Government service, would impair the very effective means we now have for accomplishing that purpose.

The investigative files of the Federal Bureau of Investigation do not contain proven information alone. They include any unverified charges and allegations, leads and suspicions. Disclosure of the files would, therefore, result in serious injustice to, and damage to the reputations of, many innocent persons.

The reasons why disclosure of the files would be contrary to the public interest were more fully stated by the Director of the Federal Bureau of Investigation when he testified before your Subcommittee on March 27, 1950. The Attorney General at the same time not only fully stated the reasons of public policy which compel the maintenance of the confidential nature of the files, but also discussed the Constitutional precedents which support without any question my authority to take the position I have in this matter.

The authority of the President in this regard has been recognized since the beginnings of our Government. Our first President and his Cabinet, in considering the first request made by a House of Congress for executive papers, concluded that while the Congress might call for papers generally, the Executive ought to communicate only such papers as the public good would permit, and ought to refuse those the disclosure of which would be contrary to the public interest.

No President has ever complied with an order of the Legislative Branch directing the Executive Branch to produce confidential

documents, the disclosure of which was considered by the President to be contrary to the public interest. The Presidents who have had to meet that issue are numerous, and they have uniformly rejected such encroachments on the Constitutional power of the President. George Washington, James Monroe, Andrew Jackson and Grover Cleveland are only a few of the Presidents who have followed this course. In our own lifetime, William Howard Taft, in his book "The Chief Magistrate," affirmed his faith in the Constitutional power of the President on this issue. And also within this century, Attorneys General serving in the Cabinets of Presidents Theodore Roosevelt, Taft, Wilson, Coolidge and Franklin D. Roosevelt, have re-stated the responsibility of the Executive Branch to maintain the integrity of confidential information when its disclosure would be contrary to the public interest. I would be derelict in my duty if I failed to do so.

I have felt obliged, therefore, to direct the Secretary of State, the Attorney General and the Chairman of the Civil Service Commission not to comply with your subpoenas.

As I have already informed you, I wish to cooperate with your Subcommittee in every reasonable way, and for that reason I have asked the bipartisan Loyalty Review Board to make an independent review of the loyalty cases before your Subcommittee.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Millard E. Tydings, Chairman, Subcommittee on Loyalty of State Department Employees, Committee on Foreign Relations, United States Senate, Washington, D.C.]

NOTE: See Item 79 and note.

The President's letter was released at Key West, Fla.

83 Special Message to the Congress Upon Approving Bill
Relating to Cotton and Peanut Acreage Allotments
and Marketing Quotas. *April 3, 1950*

To the Congress of the United States:

On March 31, 1950, I approved H.J. Res. 398, "Relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price supports for potatoes."

I approved this measure with reluctance, because it contains some provisions which seem to me to be definitely undesirable, and its other provisions merely undertake to alleviate defects in the existing farm program temporarily, without correcting those defects. Moreover, even this temporary relief, which is urgently needed, will require additional expenditures of public funds and increase the likelihood of future difficulties for the farm program.

One part of the bill, that relating to potatoes, is a step in the right direction for the long run. While it would do little or nothing to remedy for this year's crop the defects in the potato price support program, it does hold out hope of improving this program for subsequent years. However, if each step made in improving the farm program in one place is to be accompanied by a step backward in another place, we will fail to make the advances in that program which are necessary if it is to retain the approval of the American people.

This Joint Resolution furnishes additional grounds for the charges that the present farm program is costly and piles up unmanageable surpluses at the same time that it maintains artificially high prices for agricultural commodities. What is needed is for the Congress to approach this problem with a view to correcting the fundamental shortcomings in the present farm program rather than

patching it up with makeshift legislation.

In spite of the shortcomings of the present Joint Resolution, I have decided that the urgent need for the relief which it will give to cotton producers, and the promise which it holds out for making some improvement in the potato program, outweigh the defects of the measure.

The principal relief provided is in the form of additional cotton acreage allotments. The cotton acreage allotment system was revised by the Congress last year. In that legislation, against the advice of the Secretary of Agriculture, the Congress adopted an allotment system based primarily upon the farmer's acreage of crop land. The legislation provided in detail the method by which allotments were to be made. Just as the Secretary of Agriculture had warned, this legislation has had grossly inequitable results. Some cotton farmers were required to make little or no reduction in cotton acreage to comply with their allotments, other cotton farmers were required to reduce their acreage by as much as eighty percent. The present Joint Resolution merely provides additional cotton acreage allotments for this year to alleviate the hardship in those cases where the reductions have been inequitably severe. It does not remedy the basic defect in the present system of determining cotton acreage allotments. Indeed, in one respect it makes it even worse. It provides, in effect, that cotton acreage which is surrendered by one farmer and re-allotted, even though it is not planted by any farmer, must continue in future years to be allotted to that same county and State. This provision is obviously not necessary to relieve present inequities and it is clearly unfair to areas

where cotton farmers are being severely restricted in their plantings, and favors areas making little or no contribution to the reduction of cotton production.

I urge the Congress to revise the permanent laws regarding the cotton acreage allotments and marketing quotas. Such legislation should provide for allotments to be based primarily upon each farmer's past planting history. Furthermore, it should give ample latitude to farmer-elected local committeemen, so that they may alleviate inequities among their neighbors and make adjustments for local conditions. These principles are generally in effect for all major crops but cotton, and experience has demonstrated their superiority to those embodied in the cotton legislation enacted last year, from which farmers are now seeking relief.

Sections 3, 4, and 5 of H.J. Res. 398 deal with Irish potatoes. The most important of these is Section 5, which provides that no price support shall be granted to potatoes for the crop year 1951 and later years unless marketing quotas are in effect. Since no marketing quotas for potatoes are permitted by present law, this Section amounts to a policy declaration by the Congress that it intends to enact better price support legislation for potatoes than we now have. With this purpose I am in hearty accord.

Successive Secretaries of Agriculture have been urging the Congress for several years to enact better legislation regarding potatoes, in order to bring supplies into line with demand, to provide better distribution of surplus potatoes, and to reduce the cost of the program to the Government. To amend present law to provide for effective marketing quotas would be a substantial improvement over the present situation. It would not, however, in my judgment, be all that is necessary. I again urge the Congress to authorize a system of production payments

for potatoes (and other perishable commodities) so that unavoidable surpluses can be sold to consumers and used, instead of taken off the market and largely wasted.

Sections 6 and 7 of the Joint Resolution deal with peanuts. Section 7 is designed to provide some relief for the peanut farmers in several States (particularly Alabama and Texas) whose acreage was cut especially severely under present law. I believe that the peanut farmers of the States affected should have such relief, and that is one of the reasons which led me to approve the Joint Resolution.

Section 6, however, is another matter. This Section would permit the planting of peanuts to be increased substantially above the acreage allotments now established. The peanuts produced on these extra acres would not be eligible for price support, but would, instead, be sold for crushing, and the farmer would receive only what the resulting peanut oil would bring on the market. The domestic "two-price" system for peanuts thus established is subject to serious objections.

First, under present conditions, the production of peanuts for oil is unprofitable for the growers and is an uneconomic and wasteful use of agricultural resources. During the war and right afterwards, when fats and oils were in seriously short supply, we needed peanut oil badly. Now that supplies of soybeans and other more economical sources of edible fats and oils are again sufficient, it would be foolish to go on using good land to produce peanuts for oil which would not yield a profit to the growers. I believe that peanut farmers will realize that it would not be to their own best interest to expand their plantings of peanuts greatly. Consequently, I do not expect large additional amounts of peanuts to be produced for oil as a result of this Section. Nevertheless,

this provision represents a breach in the integrity of the quota system upon which the support price program depends. If it should be taken as a precedent for other crops, the whole support price program might be endangered.

Second, the administrative difficulties of operating this "two-price" system for peanuts will be very great. In order to prevent the diversion of peanuts produced on the excess acres to the higher of the two price outlets, an extensive system of inspection, identification, and supervision will have to be developed. Administrative difficulties should not stand in the way of desirable programs, but in this case a complicated, costly, and annoying administrative network will be required for a very dubious purpose.

Above and beyond these specific objections to Section 6, it may have very unfortunate implications for future years and other crops. If farmers do produce large quantities of peanuts for oil at no profit, there will inevitably be pressures for supporting the price of peanut oil in the future, which would only complicate matters further. Even more serious, if these special provisions for peanuts were to be regarded as a precedent, it may be urged that similar provisions should be enacted for other crops, regardless of the disruption that could result to domes-

tic and world markets. I believe it would be a very serious mistake for us to embark on such a course, and I do not regard this peanut provision as anything but a temporary aberration from proper legislation.

We face no small task in providing a system of agricultural legislation which will serve the needs of farmers for a fair income and will, at the same time, serve the needs of consumers for ample supplies of foods, fibers, and other crops at reasonable prices, and the needs of the whole Nation for a growing, expanding economy and a healthy world trade. During the present postwar transition period, our agricultural legislation is necessarily costly, but we obviously cannot afford to add to those costs for purposes which will not contribute to the real long-run interests of farmers or the Nation.

I urge the Congress to proceed to consider fundamental improvements in our agricultural legislation to make it more efficient, less costly, and more conducive to abundant production of farm crops, yielding a fair return to farmers, and selling at prices consumers can afford.

HARRY S. TRUMAN

NOTE: As enacted, H.J. Res. 398 is Public Law 471, 81st Congress (64 Stat. 40).

The President's message was released at Key West, Fla.

84 Special Message to the Congress on the Unemployment Insurance System. *April 6, 1950*

To the Congress of the United States:

One of the great advances in economic legislation made during the 1930's was to establish the Federal-State system of employment security. This system has two parts—first, a nation-wide employment service to help workers find jobs and employers find job-seekers, and, second, a nation-wide system of unemployment insurance to help tide

workers over periods of unemployment.

Finding a job is of more importance to an unemployed worker, of course, than receiving unemployment insurance benefits. Consequently, great emphasis has always been placed on strengthening and improving the employment service.

We cannot, however, completely eliminate unemployment; even in times of high em-

ployment, there will be turnover of jobs and numerous shifts and changes in job opportunities. Consequently, we must have a strong and steadily improving system of unemployment insurance.

Under our Federal-State unemployment insurance system, benefits are paid, in accordance with State laws, to workers who, while able and seeking to work, are unemployed through no fault of their own. These benefits are paid from the proceeds of State payroll taxes, which are deposited in reserve accounts—one for each State—in the Unemployment Trust Fund in the United States Treasury.

In the past twelve years, unemployment insurance has proved its worth not only as an invaluable source of support to unemployed workers and their families, but also as a means of maintaining purchasing power of great value to the entire economy. In 1949, for example, 1.7 billion dollars in benefits were paid to more than seven million individuals, the largest amount for any year in the history of the system. This was a significant factor in preventing serious dislocations during last year's period of economic readjustment.

Our experience with unemployment insurance has revealed weaknesses as well as strengths in the existing system. While many improvements have been made in the State laws since the program began, the system is far from adequate today.

Over 15 million workers—about one-third of all employees—are not protected by unemployment insurance. In 1949, only about one-fifth of the purchasing power lost through unemployment was replaced by unemployment insurance benefits. In 1949, weekly benefits averaged only about \$20—not enough to preserve a minimum standard of living. Nearly 2 million workers used up their benefits entirely—showing that benefits were not available for a long enough period.

While the unemployment reserve funds of the States have so far proved to be adequate, a few States may soon face financial difficulties because of local concentration of unemployment.

On several occasions in recent years, I have recommended that the system be improved, to extend protection to many workers not now covered; to provide, in every State, benefits for 26 weeks ranging up to \$30 a week for single persons, with additional benefits for dependents; and to increase the financial stability of the system.

Action on these proposals has become more urgent as unemployment has increased somewhat in spite of the continuing high levels of business activity. While unemployment dropped over half a million between February and March, on the average nearly 4½ million persons were looking for work during the first three months of this year, as compared to 3 million in the same months of 1949, and nearly 2½ million in 1948. Furthermore, the length of time it takes people to find jobs is becoming longer. One million people—about one out of every four unemployed—have been out of work for 15 weeks or more. A year ago, only 420,000 were without jobs that long, and in 1948, only 330,000.

This gradual growth in unemployment over the last two years is not because there are fewer jobs. Employment has remained at high levels, along with industrial production, consumer incomes, and other indicators of the health of our economy.

But there are more people looking for work. In recent years, up to one million more people have come into the labor market each year, looking for work, than have left the labor market. Part of the new group entering the labor market this year will be the largest number of college graduates in our history—some 500,000 young people, including about 250,000 veterans. In addition, of

course, a large number of high school graduates will also be looking for jobs.

Furthermore, as new plants and equipment have been added and supplies of raw materials have become more ample, businessmen have been able to produce more with the same number of workers.

Thus, our labor force has increased, our productivity has increased, but the number of jobs has not kept pace. This emphasizes the importance of expanding our economy so that new jobs will be created to use skills and energies that are now being wasted. It also emphasizes the importance of making better provision for those who are temporarily out of work.

The Congress now is well along toward completing action on legislation to improve the old-age and survivors' insurance and public assistance programs. Like those programs, the unemployment insurance system needs to be improved in the light of experience. Accordingly, I recommend that the Congress turn its attention as soon as possible to strengthening our Federal-State unemployment insurance system.

First, I recommend that coverage be extended to about 6 million workers not now covered. The first major deficiency in the present Federal-State system of unemployment insurance is that it excludes large numbers of workers.

Coverage should be extended to employees of small firms—those employing one to seven workers. Workers in firms employing fewer than eight workers were originally left out of the Federal law because of expected administrative difficulties. In fact, however, such employees have been satisfactorily covered for years under the Federal old-age and survivors' insurance system, and 17 States have already extended their unemployment compensation systems to cover them, without encountering any serious ad-

ministrative difficulties. Many other States are waiting for the Federal Government to act, and have provisions in their laws which would cover these employees automatically when the coverage of the Federal Act is extended. No reason exists for discriminating longer in the Federal law against such workers.

Coverage should also be extended to Federal Government civilian employees. Although the Federal Government took the leadership in establishing a system of unemployment insurance for workers in private industry, it has not assumed the same obligation toward its own employees. Yet the rate at which Federal workers—especially manual workers—are separated from their jobs is approximately as high as in private industry. Federal workers should no longer be denied the protection of unemployment insurance.

I also propose extensions of coverage to about 500,000 persons who are employed on a commission basis, and about 200,000 workers in occupations of an industrial nature connected with agriculture, all of whom are excluded at present. Moreover, the Federal unemployment insurance legislation should be extended to Puerto Rico, subject to its acceptance by the Territorial Legislature.

Second, I recommend the establishment of nation-wide minimum levels for amounts and duration of unemployment benefits, in order to correct the second major deficiency in the present unemployment insurance system—the inadequacy of benefits.

At present, while the Federal law includes a number of standards which the States are required to meet, it does not establish minimum levels for benefit amounts or duration. Maximum weekly benefits in the various States now range from \$15 to \$27 for single persons; benefits are somewhat larger for persons with dependents in the 11 States

providing dependents' allowances. With these maximum levels, average weekly benefits for the Nation as a whole were just over \$20 in 1949.

The variations among States create serious inequities. They mean that workers who lose their jobs in identical circumstances are treated very differently because of the accident of geographical location. They mean that businessmen in some States suffer a greater loss in markets when unemployment occurs than do those in other States.

Furthermore, while the States generally have increased benefits in recent years, so that the situation is not nearly so bad as in the case of old-age and survivors' benefits, in most States the increases in benefits have lagged considerably behind increases in wages and costs of living. Thus, unemployment benefits today replace a smaller proportion of a worker's regular wages than was the case when the system was started.

For these reasons, I believe that nationwide minimums should be established by law which will assure adequate benefits in all States. The standards proposed are these: benefits for single persons should approximate 50 percent of normal earnings, up to a maximum of at least \$30 a week. Additional allowances should be granted for individuals with dependents. The proportion of previous earnings replaced would vary with the number of dependents, up to a maximum of 70 percent of wages, or \$42, whichever is lower, for an individual with three or more dependents.

These standards are not high. If they had been in effect, the national average weekly benefits in 1949 would have been just over \$24. But this would be a substantial improvement in an income level which, at best, is intended to provide only for subsistence expenses. Furthermore, uniform standards would reduce present inequities in benefit

levels among different States. Some variation in benefit amounts would and should remain, reflecting the differences in wage levels and costs of living in different parts of the country.

At present, the maximum duration of benefits varies among the States from 12 to 26 weeks. Like the variation in size of benefits, this is inequitable, and in many States simply represents a lag in reaching what was considered from the beginning to be a desirable standard, but which was originally set low because of actuarial uncertainties. With this wide range, the average duration of benefits in 1949 was less than 13 weeks. Because of the short duration of benefits, nearly 2 million workers exhausted their rights to benefits before finding another job.

Benefits should be available for at least 26 weeks in a year to all workers who are out of work that long. Experience in the States which have increased the duration of benefits is that while average duration does not rise very much, because most workers find a new job before using up benefits, the number who use up their benefits entirely is markedly decreased. It is estimated that, under my proposal, the number of workers who exhausted their benefits in 1949 would have been only half as large as it was.

The combined effect of my recommendations for extended coverage, higher benefits, and longer duration, would have resulted in about \$850 million more in benefits—and in consumer demand—in 1949. The cost of these improvements would be moderate. At the same time that weekly benefits are raised, the upper limit to the amount of wages taxed should be raised from \$3,000 to \$4,800 per worker, in line with the increases in wage levels. On this basis, the combined cost of all benefits for all States under these proposals would have been about 1.2 percent of taxable payrolls in 1948 and 2.5 percent in

1949—compared with actual costs (on the basis of the present \$3,000 wage limit) of .9 percent of taxable payrolls in 1948 and 2.2 percent in 1949.

In most States, the rate of tax has been extremely low in recent years—many employers have had to pay no tax whatever. Some States have had to increase rates somewhat last year or this year, but in all but a few cases, taxes are still well below the rate of 2.7 percent contemplated when the system was started. Under my proposals, many States would not have to increase tax rates to cover all the increased costs, since they still have excess reserves. Most, if not all, States would find no trouble meeting the additional costs within the 2.7 percent tax rate.

Consequently, I believe that the standards I propose will achieve substantial improvement in the unemployment insurance system, benefiting both workers and businessmen, at very reasonable costs. As is the case at present with respect to coverage, the Federal law should not prevent the States from exceeding the minimum standards if they wish to do so.

Third, I recommend that adequate methods should be required to provide benefits for workers who move from one State to another.

Clearly a worker who is employed in two different States during a year is as entitled to unemployment insurance benefits when out of work as a worker who is employed in only one. The States have generally recognized this, and have attempted voluntarily to work out methods for paying benefits in such interstate cases. They have, however, been only partially successful. Interstate workers generally must wait much longer to receive benefits than intrastate workers. Furthermore, the benefits of many interstate workers are lower than if they had

worked in only one State.

It is a difficult problem to develop adequate methods for paying benefits promptly and equitably to interstate workers in our Federal-State unemployment insurance system. Nevertheless, it is in the national interest to encourage the mobility of labor, since that is indispensable to economic expansion in a free society like ours. Consequently, I believe that the States should be required to adopt such methods as are necessary to provide fair and adequate protection for interstate workers.

Fourth, I recommend that both Federal and State laws concerning fraud and disqualifications should be revised and improved.

It was a weakness in the original Federal legislation that it did not clearly require the States to deal adequately with the question of fraud. Some States—without going to uneconomical extremes in inspection and policing—have instituted effective methods for preventing or detecting fraudulent claims. I believe, however, that the Federal law should be clarified so that all States can be required to have adequate means for dealing with those few individuals who attempt to obtain benefits through misrepresentation.

During the last few years, some States have considerably enlarged the number of reasons for disqualifying workers who seek unemployment benefits and have increased the severity of penalties for disqualification. These excessive disqualifications have operated to prevent persons who are genuinely out of work through no fault of their own from receiving benefits. These over-severe disqualification provisions, which penalize the innocent along with the guilty, should be corrected.

Fifth, I recommend, at this time, two improvements in the financing arrangements for unemployment insurance.

Since the beginning of the program, a small part of the unemployment tax has been collected by the Federal Government and included in general Federal revenues. The administrative costs of the program—both Federal and State—have been paid out of general Federal revenues, and have never been as large as the Federal unemployment tax collections. I propose that the Federal unemployment tax be paid into a special Federal unemployment account in the Unemployment Trust Fund (which now includes the separate State reserve accounts for the payment of benefits). This account would be used exclusively to pay the cost of State and Federal administration of the employment security program, and the cost of reinsurance grants, to be available to States who encounter temporarily severe financial difficulties.

Experience has demonstrated that the cost of unemployment insurance varies widely among the different States. This is mainly due to differences in each State's economic structure and in the incidence of unemployment in certain industries, which are beyond the control of the individual State. It has become evident that a few States, while able to finance an adequate system of unemployment insurance in normal periods, may not be able to maintain the solvency of their unemployment funds in a period of severe unemployment under the present financial provisions provided in the Federal legislation. So that these States will not be forced to increase their tax rates unduly during periods of declining employment and payrolls, the legislation should be amended to provide assistance to such States through reinsurance grants when their funds approach exhaustion. This will be a major step toward strengthening our Federal-State system of unemployment insurance, since it will, without detracting from the independence

of State action, gain some of the advantages of pooled reserves.

A strengthened unemployment insurance system not only will furnish more adequate aid to those who become unemployed, but also will do more to maintain the high volume of consumer purchasing power so necessary to the welfare of the entire economy. Thus it is a strong element in our program to support growth and expansion in the economy.

Our essential economic problem is to put to sound, productive use our increasing technical knowledge and our growing labor force. To this end, we need imaginative and enterprising investment—in plant capacity, in new equipment, in basic resource development. To this end, we need vigorous competition and a growing number of new businesses. To this end, we need a stable agriculture, sensible wage-price-profit decisions, and mature labor-management relations. To this end, we need an expanding world economy, with a productive flow of international trade and investment.

Both private and public policies must be directed to these purposes, and I have recommended a series of measures to the Congress for Federal action. My present proposal to strengthen our unemployment insurance system is one of these measures.

I am particularly urging action at this session of Congress on unemployment insurance because State legislation must follow the Federal amendments. Action by the Congress this year would clear the way for State action in 1951, when practically all of the State legislatures will be meeting in regular session.

But the primary reason for Congressional action is the real need of those who are unemployed. The unemployment insurance system is a tried and proven means of assist-

ing them. That system urgently needs strengthening. I therefore request favorable consideration of these recommendations at this session of Congress.

HARRY S. TRUMAN

NOTE: For the statement by the President upon signing the Social Security Act Amendments of 1950 on August 28, see Item 224.

The President's message was released at Key West, Fla.

85 Remarks of Welcome to the President of Chile at the Washington National Airport. *April 12, 1950*

IT IS with sincere pleasure, Mr. President, that I welcome you to the United States. We shall do our utmost to make your stay among us pleasant and interesting.

I am happy to welcome you as the chief executive of a sister republic whose citizens have constantly been inspired by devotion to the democratic principles which we cherish. Your arrival symbolizes the traditional and warm friendship that has long existed between our two countries.

It is a source of satisfaction that, in the spirit of friendly cooperation and inter-American solidarity, Chile and the United

States are continuing their efforts to assure the security and peace of the world. Our countries are motivated by the same concern for individual freedom and human welfare.

We in the United States are honored by your visit and heartily extend our sincere good wishes to you personally and for the prosperity of your people and your country.

Welcome, Mr. President!

NOTE: President Truman spoke at 3:05 p.m. from a speaker's stand erected at the Military Air Transport terminal, adjacent to the National Airport. President González Videla was greeted with a 21-gun salute and full military honors.

86 The President's News Conference of *April 13, 1950*

THE PRESIDENT. [1.] I will explain to you why I was late. The President of Chile was our guest last night at the Blair House, and it is necessary for the President to see the distinguished guests away from the Blair House when they leave. We were a little late making the arrangements, hence you had to wait 10 minutes—which doesn't happen very often.

I have no announcements to make. If you have any questions, I will listen to them.

[2.] Q. Mr. President, Charles Binaggio and Charles Gargotta were both witnesses before a Federal grand jury in Kansas City probing rackets. Now, 8 days after they

were killed,¹ the Attorney General apparently has not found legal authority to bring the FBI into the investigation. Governor Smith, I understand, wired the FBI for all-out assistance, immediately after the killings. I have two questions to ask, sir: one, do you think this is a Federal matter; and two, will you ask the Attorney General to send the FBI—

THE PRESIDENT. That is a matter for the

¹ Charles Binaggio and Charles Gargotta were found shot to death at the First Ward Democratic Club in Kansas City, Mo., on the morning of April 6, 1950. Both men had testified before a special Federal grand jury in Kansas City that had been called to investigate nationwide crime and vice.

Attorney General himself to determine. The grand jury was called in Kansas City at my suggestion to the Attorney General several months ago.

[3.] Q. Mr. President, are you in agreement with the Attorney General, who has been quoted as saying that all forms of segregation are discriminatory?

THE PRESIDENT. I think we have been working for that for some time past. Haven't you read any of my messages on that subject?

Q. Yes sir, but they didn't cover that, I don't think, and—

THE PRESIDENT. When you read the messages you will get the plain answer.

[4.] Q. Mr. President, have you discussed the Binaggio case with the Attorney General?

THE PRESIDENT. I have not. It is not in my jurisdiction. I have not discussed it with them and don't expect to discuss it with them.

Q. Mr. President, when Senator Lucas was here the other day, did he discuss the crime situation in general with you?

THE PRESIDENT. No, he did not.

Q. Mr. President, can you tell us any more about the request that you made which resulted in the calling of the grand jury in Kansas City—anything on the scope of the investigation that you ordered?

THE PRESIDENT. The scope of the investigation was to, if possible, get to the bottom of these national rackets. And the Attorney General called the grand jury at my suggestion for that purpose. The rackets are nationwide, they are not confined to Kansas City or St. Louis or—there are as many in St. Louis as there are in Kansas City. They are in every big city in the country, even in Washington, if I am not mistaken.

[5.] Q. Mr. President, do you wish to comment on the recent visit to Washington—the presence of the Secretary of the

Treasury, Mr. Cereijo of Argentina, who has been here—

THE PRESIDENT. I have no comment to make on that. I did see the Finance Minister. I understand that he went away from here highly pleased with the result of his visit.

[6.] Q. When you spoke of calling the grand jury at your suggestion, do you mean just the grand jury in Kansas City?

THE PRESIDENT. Just the grand jury in Kansas City.

Q. Weren't there grand juries in a good many other cities at the same time?

THE PRESIDENT. Yes. Grand juries were already in session in several other cities, and I suggested one be called in Kansas City and one for St. Louis. The one for St. Louis I don't think was called.

Q. You meant it to be nationwide in scope?

THE PRESIDENT. Yes, I meant it to be nationwide in scope.

Q. You meant it to be that?

THE PRESIDENT. That is exactly right.

[7.] Q. Mr. President, that grand jury doesn't have anything to do with the theft of the ballot boxes, does it? ²

THE PRESIDENT. Not this.

Q. Have you discussed that with the Attorney General?

THE PRESIDENT. I have not.

Q. You realize that the Statute of Limitations will run in this case?

THE PRESIDENT. I don't know anything about it.

[8.] Q. Did you have a good visit with the President of Chile last night, sir?

² The vault of the Kansas City Board of Election Commissioners in the Jackson County Courthouse in Kansas City, Mo., was broken into during the night of May 27–28, 1947, and the contents of three metal ballot boxes, containing ballots, poll books, and tally sheets, were stolen. The articles had been returned to the vault the day before after being used as evidence by a State grand jury in a 2-month investigation of alleged vote manipulation in the August 1946 primary election.

THE PRESIDENT. Very good visit. That is quite a jump from St. Louis to Santiago, Chile, isn't it? [*Laughter*]

Q. Did you take up any economic or political subjects?

THE PRESIDENT. I did not. The President of Chile is coming to pay an official call on me at 4 o'clock this afternoon, and we shall discuss any subject in which he is interested.

[9.] Q. Mr. President, Senator Taft said this week that you had libeled Senator McCarthy. Would you care to make any comment?

THE PRESIDENT. Do you think that is possible? [*Laughter*]

Q. May we quote that?

THE PRESIDENT. Yes.

Q. Well, Mr. President, are you aware of what Senator Taft said? He wrote a whole column for his Ohio paper.

THE PRESIDENT. I haven't read Senator Taft's column, and I do not make it my business to read political publications of people who are running for office—

Q. Would you repeat that for us?

THE PRESIDENT. —particularly in one statement.

Q. It was a general criticism of the administration's attitude—

THE PRESIDENT. That would be natural for Senator Taft. He is running for reelection in Ohio, and I suppose he has something else in mind a couple of years from now. [*Laughter*]

Q. Yes. I thought you were interested, perhaps, in this year's campaign.

THE PRESIDENT. I am very much interested in it.

[10.] Q. Mr. President, can we get back to the Missouri matter, not related to—

THE PRESIDENT. Anything. I told you you could ask any questions and I will answer all I can.

Q. Do you have any comment on Governor Smith's gasoline tax proposal—this is a

double-barreled question—would you care to say if you voted for or against—

THE PRESIDENT. I don't think it's anybody's business how I voted, but I was for the increase in the tax and I voted for it. [*Laughter*]

Q. Any comment on the defeat?

THE PRESIDENT. I have no comment on the defeat. The people of Missouri just simply didn't want it, I reckon. They overwhelmingly thought that they didn't want it.

[11.] Q. Mr. President, I see Myron Taylor is on the calling list today. Do you intend to reappoint him to the Vatican?

THE PRESIDENT. I have no comment on that, and I do not intend to comment on that this morning. Mr. Taylor is here on private business of his own.

[12.] Q. Mr. President, I would like to revert to the one last question—

THE PRESIDENT. Shoot all the questions you want.

Q. In your opinion, could you construe the murder of the two Federal witnesses as tampering with witnesses before a Federal grand jury?

THE PRESIDENT. I am not in the legal business, and you can make your own construction on that.

[13.] Q. Mr. President, Senator Tobey says he is asking you to name a New Englander to the Interstate Commerce Commission. I wonder if you plan to do that?

THE PRESIDENT. What's that?

Q. Senator Tobey was down here and asked you to name a New England man to the ICC. I wonder if you plan to do that?

THE PRESIDENT. Senator Tobey made a recommendation for the ICC, and he will have the same consideration that several dozen other people have that have been recommended to me from all parts of the United States. There are other States in the Union as well as New Hampshire.

[14.] Q. Mr. President, several groups, including Republicans, are protesting the delay in action on FEPC until the foreign aid measure is acted on. Can you comment on that?

THE PRESIDENT. Yes, I can comment on it. The reason for the postponement was due to the fact that the ECA appropriation should get into the omnibus appropriation bill in the House. Unless it is passed promptly, it will not get into that omnibus bill. The FEPC will be carried to the logical conclusion, and every effort will be made to pass FEPC promptly without starting a filibuster against an international matter that is of vital importance to the whole world.

[15.] Q. Mr. President, some months ago you outlined for us a nationwide program of river valley development, and you astounded us with your knowledge of river geography. Have any steps been taken in the direction of fulfilling that program?

THE PRESIDENT. Surveys are being made, and I have some preliminary reports on it.

Q. That is in the Missouri Valley—

THE PRESIDENT. How's that?

Q. That is the Missouri Valley?

THE PRESIDENT. The whole Mississippi Valley—Pittsburgh to Denver, and from Minneapolis to New Orleans.

[16.] Q. Have you been personally reviewing the necessary preliminaries for our responsibilities in the forthcoming reciprocal trade talks?

THE PRESIDENT. Yes, I have.

Q. Have you completed that?

THE PRESIDENT. Not quite.

[17.] Q. Do you think the first 5 years are the hardest? [Laughter]

THE PRESIDENT. That is an easy thing for a person to say. The first 5 years have been rather difficult, but the country is still on its feet. And in spite of some unemployment, we have more people at work than ever before in the history of any country in the

history of the world. We have the most prosperous business setup that the country has ever seen, if the Wall Street reports are to be believed. We have the farmer in better financial condition than he has ever been in the history of the country, except at the top point in 1948, I think it was. And I can't see that there is any serious thing the matter with the country as a whole. I think it's in fine shape. In fact, the first 5 years after the greatest war in history have been easier on the United States than the aftermath of any other war that was ever fought in this country, if you will read your history a little carefully.

Of course, it couldn't possibly be that the Executive is to be credited with that situation. That just took place. It would have taken place if we had had a moron on the job, according to the way the general attitude of some of the press is. [Laughter]

But I think that the President can take credit for the situation, and that is what he proposes to do. [More laughter]

Q. Next month sometime, Mr. President?

[18.] Q. Mr. President, I notice you say the farmers are in the best condition, but how about the rest of us, with the surpluses and the high food prices?

THE PRESIDENT. I think that you get plenty to eat, Miss May,³ and I have an idea that you are getting a bigger salary than you ever have gotten before in your life.

Q. Yes sir, but they don't get as much as I do.

THE PRESIDENT. That's true, but they are getting more than they ever got before in their history.

Q. But there are still surpluses to be destroyed.

THE PRESIDENT. If you will study the situation, you will find that the principle of surpluses being destroyed was brought about

³ Mrs. May Craig of the Portland (Maine) Press Herald.

by your representative in the Senate from Maine, and it was potatoes that caused most of the trouble.

Q. Butter, eggs, wheat, corn, cotton—

THE PRESIDENT. Yes, the output of every farmer is at its greatest and farmers are prosperous, and we have a solution for that, a proposition which has been in the Congress ever since the 1st day of January of this year to meet that problem. We have the solution for it. If you will work for that solution as hard as you are bringing attention to the surpluses, we will get it solved.

Q. Is that the Brannan plan?

THE PRESIDENT. That is the Brannan plan.⁴

[19.] Q. Mr. President, getting back to your answer a minute ago where you covered the domestic situation, I was just wondering if you feel that the problems of peace are any more difficult now—I mean in the last 20 months than they were? This is a perennial question, and I know you commented on it before.

THE PRESIDENT. I think the situation worldwide is better than it was in 1946, and I think there has been a gradual improvement.

[20.] Q. Mr. President, do you plan to campaign for the Brannan plan when you go to Wisconsin in May?

THE PRESIDENT. What's that?

Q. Do you plan to speak for the Brannan plan when you go to Wisconsin in May?

THE PRESIDENT. I am going on a nonpolitical tour to dedicate some dams, and I think my speeches will not be partisan or political. The one in Chicago may be, but that will be at the end of the trip.

⁴On April 7, 1949, Secretary of Agriculture Charles F. Brannan appeared at a joint session of the House and Senate Agriculture Committees, at which time he outlined his price support plan. The plan would substitute an income support standard for the previous parity formula, use direct payments to farmers when prices of certain perishables fell too far below parity, and let those perishables sell to consumers at supply and demand prices.

Q. Will you "dam" the Republicans a little bit in Chicago? [*Laughter*]

THE PRESIDENT. I beg your pardon?

Q. Will you "dam" the Republicans a little bit in Chicago?

THE PRESIDENT. Well, you had better wait and see. I don't like to prophesy what I am going to say. I think you found that out on the train.

[21.] Q. Mr. President, if you plan to sign the new housing bill, can you give us some idea of how soon that action might come?

THE PRESIDENT. The bill has not come to my desk yet. It is being analyzed by the various departments. When it comes to my desk, why I will let you know about it.⁵

[22.] Q. How about the Kerr bill, Mr. President?

THE PRESIDENT. The Kerr bill is under consideration now. It is being analyzed in the various departments.

[23.] Q. Mr. President, is there any light you can shed on the disappearance of the Navy Privateer over the Baltic? ⁶

THE PRESIDENT. There is an investigation, and it has been ordered by Admiral Conolly,⁷ and I can make no comment on it until we know all the facts.

[24.] Q. Mr. President, have you received a series of gifts and telegrams from

⁵On April 20, 1950, the President signed the Housing Act of 1950 (64 Stat. 48).

⁶On April 8, 1950, a United States Navy patrol plane vanished over the Baltic Sea. The plane, carrying four officers and six enlisted men, was a Privateer, a four-engined plane with a tail assembly somewhat resembling that of the B-29. U.S. officials stated that the plane left Wiesbaden Air Base in Germany and that its destination was Copenhagen, Denmark. Some debris was later sighted by search planes, but there were no survivors.

The Soviet Government subsequently stated that Russian planes had fired upon a B-29 Flying Fortress after it had failed to comply with orders and had opened fire upon the Soviet planes.

⁷Rear Adm. Richard L. Conolly, commander of the U.S. fleet in the Mediterranean and east Atlantic.

Congressman Heselton of Massachusetts? ⁸
Any comment on that, sir?

THE PRESIDENT. No comment.

Q. What do you do with them?

THE PRESIDENT. What do I do with them?
There's a nice, round file under my desk.
[Laughter]

[25.] Q. Mr. President, your old friend Dr. Gallup says that right now your popularity is not what it might be. Do you think that you might do something about that on this trip?

THE PRESIDENT. Will you turn back to about March 1948, and read Mr. Gallup?

Q. Yes sir, I know that.

THE PRESIDENT. Well, that's about on the same par with that.

[26.] Q. Mr. President, will you make any talks in Ohio on your way to or from Chicago?

THE PRESIDENT. I can't answer that question, because the details of the trip have not been outlined as yet. Grand Coulee and Chicago are the only definite dates.

[27.] Q. Mr. President, you said the international situation is better now than it was in 1946?

THE PRESIDENT. Yes, it is.

Q. Have you a reason for choosing 1946 rather than 1945?

THE PRESIDENT. I think 1946 was about the worst time that we had anywhere. It was shortly after 1946 that we instituted the program for Greece and Turkey, and the Marshall plan came in June 1947. That was about the worst time with which we were faced that I can remember, except by a shooting war itself.

[28.] Q. Mr. President, going back to

those nonpartisan, nonpolitical speeches, do you consider the Brannan plan a partisan and political issue?

THE PRESIDENT. No, it is not a partisan, political issue. It is for the benefit of all the farmers of the United States.

Q. Well then, Mr. President, you are not—

THE PRESIDENT. And there are lots of Republican farmers that haven't been properly educated yet, or they would be Democrats.
[Laughter]

Q. Mr. President, we didn't hear that last—

THE PRESIDENT. Wait—you didn't give me a chance—you didn't give me a chance to finish my answer to your question. If you will give me a chance to answer your question, I will be glad to do it.

I said the Brannan plan was not a partisan program, it is for the benefit of all the farmers of the United States, and there are lots of Republican farmers, I think, that if they had been properly educated they wouldn't be Republicans.

What is the rest of your question now?

Q. Well then, with that thought, you are not barred from speaking—

THE PRESIDENT. I am not barred from speaking on anything I want to—[Laughter]—but I don't intend to make any what you might call partisan speeches on this trip.

Q. Mr. President, does that still look like five or six major speeches?

THE PRESIDENT. Oh, I can't answer you, because there are only—well, as I told you awhile ago, there are three stops in Wyoming to dedicate another dam—visit another dam. And I can't tell you how many speeches it will be. It will depend on how many stops we have.

Q. A speech at every stop, sir?

THE PRESIDENT. There may be 50 or 60 before we get through. [Laughter]

Q. We'll bring the oxygen tent with us.

⁸The White House had been receiving a large number of telegrams from Representative John W. Heselton of Massachusetts expressing his views on agriculture and the surplus food situation. The gifts that he had forwarded to the President were small boxes of rice, dried peas, dried milk, shelled peanuts, potatoes, and similar farm products.

THE PRESIDENT. You had better bring the oxygen tent. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and twenty-second news conference was held in his office at the White House at 10:40 a.m. on Thursday, April 13, 1950.

87 Remarks to Members of the U.S. National Commission for UNESCO. *April 13, 1950*

THANK YOU very much. It is a pleasure to have you here. I am vitally interested in what you are doing and what you are trying to do, and always have been.

Somebody remarked that there were a great many of you and that the handshaking might tire out my arm. For your information, the last year that Mrs. Truman and I were in the White House, she shook hands with 50,000 people and I shook hands with 25,000, aside from those that I ran into in 1948 on the road, accidentally. The arm has to be in good condition, for we have another program coming up that will be somewhat similar to that of 1948. This time we are trying to elect a Congress that believes in international cooperation, wholeheartedly—a Congress that believes the welfare of the United States demands a continuing foreign policy that takes into consideration the whole globe, instead of just one county or one district or one State.

The work that you are doing is of vital importance. Education is the fundamental basis of freedom. The Renaissance, I think, began the approach to our form of government, although that form originated back with the Hebrews and the Greeks and the Romans. Of course, that is only one man's opinion, as one radio commentator would say.

Then also we are exceedingly anxious to see that the good things of life are made available to the poorer parts of the world.

That may sound like a worldwide WPA, but it is nothing of the kind. My ambition is to help these people to help themselves. I am sure that is what you have in mind.

I am giving the United Nations, and this organization in particular, all the support I can possibly give as President of the United States. I want to see you successful and I want to see the United Nations successful, and I honestly believe that both of you will be a complete success in the course of time.

We expect things to happen too fast. The United States is noted for its go-getters. We make plans today and try to get them done tomorrow. In organizations such as yours and the United Nations, if over a generation or two generations we come close to accomplishing our purpose, we have made great progress. It took the first 80 years of the existence of the Republic of the United States to get it established, and then we had to whip ourselves before we got it done.

In working to get this plan of ours implemented on a worldwide basis, we are working for the peace of the world. That is what we are all working for. That is what your educational program is for—to prevent the killing of the young men and young women of the generations that are to come.

One of the difficulties of Europe is the fact that the great countries of Europe suffered two world cataclysms, in which the younger generation was killed off by the millions. That sort of loss can't be repaired immedi-

ately. We don't want that to happen to us. We have been exceedingly lucky in both the world wars, in that we did not lose an overwhelming number of our coming generations.

I hope you will keep up your good work, and that you will be entirely successful. And

if I can help you, I am right here to do it.

Thank you very much.

NOTE: The President spoke at 12:15 p.m. in his office at the White House. The National Commission, whose function is to advise the United States Government on the affairs of UNESCO, opened its eighth semiannual conference at the Department of State on April 13.

88 Veto of Bill To Amend the Natural Gas Act of 1938.

April 15, 1950

To the House of Representatives:

I return herewith, without my approval, H.R. 1758, a bill to amend the Natural Gas Act approved June 21, 1938, as amended.

This bill would preclude the Federal Power Commission from regulating sales of natural gas to interstate pipe line companies, for resale in interstate commerce, by producers and gatherers who are not affiliated with the buyers. After careful analysis and full consideration, I believe that such an action would not be in the national interest.

I believe that authority to regulate such sales is necessary in the public interest because of the inherent characteristics of the process of moving gas from the field to the consumer. Unlike purchasers of coal and oil, purchasers of natural gas cannot easily move from one producer to another in search of lower prices. Natural gas is transported to consumers by pipe lines, and is distributed in a given consuming market by a single company. The pipe line companies, and in turn the consumers of natural gas, are bound to the producers and gatherers in a given field by the physical location of their pipe lines, which represent large investments of funds, and cannot readily be moved to other fields in search of a better price.

These characteristics of the natural gas business impose natural limitations upon effective competition among sellers. Competition is further limited by the degree of

concentration of ownership of natural gas reserves. While there are a large number of producers and gatherers, a relatively small number of them own a substantial majority of the gas reserves. Furthermore, the demand for natural gas has been growing phenomenally in recent years, and its natural advantages as a fuel, coupled with its present price advantage, indicate that demand may soon be pressing hard upon total supplies.

Under these circumstances, there is a clear possibility that competition will not be effective, at least in some cases, in holding prices to reasonable levels. Accordingly, to remove the authority to regulate, as this bill would do, does not seem to me to be wise public policy.

It is argued that regulation of sales of natural gas to pipe line companies would discourage producers and gatherers from selling their gas in interstate commerce, and would discourage exploration and development of new wells. This claim rests primarily on the assumption that the Federal Power Commission would apply standards of regulation which did not take account of the peculiar circumstances of natural gas production—such as the cost of exploration and development, including the drilling of dry holes. I do not believe this assumption is well-founded. On the contrary, I am confident that the Commission will apply standards properly suited to the special risks and

circumstances of independent natural gas producers and gatherers.

My confidence in this outcome is supported by the fact that, until recently, the Commission has not found it necessary to undertake to regulate the prices charged by independent gas producers and gatherers, although those prices have been advancing. It is only natural that prices have risen, since the interstate lines built during and since the war have offered a far wider market than existed previously and have resulted in more competition among buyers. This process of price adjustment will probably continue, and it is right that it should if held within reasonable limits.

Accordingly, producers and gatherers are finding, and I am sure will continue to find, strong incentives to search out new sources of natural gas and to sell their gas in interstate commerce. I believe the production and sale of natural gas will continue to grow rapidly, to the benefit of consumers and of all the businessmen concerned with serving them. I see no danger to that growth in the continuance of the authority of the Federal Power Commission to regulate sales of gas to interstate pipe lines.

The continuance of that authority will ade-

quately protect the public interest by permitting the Commission to prevent unreasonable and excessive prices, which would give large windfall profits to gas producers, at the expense of consumers, with no benefit to the Nation in terms of additional exploration and production. Such cases are few, if any, at the present time, but the authority to deal with them in the future clearly should not be dissipated.

Experience may demonstrate that some improvement of the existing statute may be desirable. I have no doubt that the Commission will operate reasonably and in the public interest in carrying out the present law, but I would have no objection to reasonable amendments if they are found to be needed.

To withdraw entirely from this field of regulation, however, impelled only by imaginary fears, and in the face of a record of accomplishment under the present law which is successful from the standpoint of consumer, distributor, carrier, and producer alike, would not be in the public interest. Accordingly, I am compelled to return this bill without my approval.

HARRY S. TRUMAN

89 Statement by the President on the Importance of Maintaining a Bipartisan Foreign Policy. *April 18, 1950*

I HAVE had a very satisfactory talk with Secretary Acheson and Senator Bridges, who is the ranking Republican of the Senate in Senator Vandenberg's absence. We discussed a number of the more important problems facing this Nation in the field of foreign relations and also some of the problems involved in finding a workable means for keeping the Republican minority informed currently. On my instructions, Secretary Acheson has previously consulted

with Senator Connally as well as with Senator Vandenberg and other Democratic and Republican Members of Congress. In addition to the discussions I have had with Senator Bridges, I have also talked personally with Members of the Senate of both parties. I expect to obtain the views of still others on this subject.

With the problems facing the United States in the field of foreign relations it is most important that every effort be made to

maintain a true bipartisan foreign policy. It will be my purpose, as well as that of Secretary Acheson, not only to keep the members of the minority currently informed,

but to solicit their views and take them into serious account in both the formulation and implementation of our foreign policy.

NOTE: See also Item 96.

90 Letter to the Speaker on the Plight of Greek Children Abducted by Communist Guerrilla Forces. *April* 19, 1950

[Released April 19, 1950. Dated April 18, 1950]

My dear Mr. Speaker:

I fully share the concern of the House of Representatives for the thousands of children removed from Greece to eastern Europe by the communist guerrilla forces, and I welcome the adoption of House Resolution 514 of March 22, 1950, calling for the speedy return of these children to their homes and homeland.

The rights of children and parents to share the protection, comradeship and beneficent influence of a family home are fundamental and have been implicitly recognized, in the case of the Greek children, in two unanimous resolutions of the United Nations General Assembly. It is morally inadmissible that political considerations or technical difficulties should be allowed to stand in the way of the reunion of these children with their parents.

The Executive Branch of the Government has been persistent in its endeavors to secure effective compliance with the United Nations resolutions in this case. These efforts will not be relaxed until the Greek children are back in their homes.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Sam Rayburn, Speaker of the House of Representatives, Washington, D.C.]

NOTE: The text of House Resolution 514 is as follows: "Resolved, That the House of Representatives expresses its profound concern for the thousands of Greek children removed or carried off into countries of eastern Europe by the Communist guerrilla forces during the course of the recent guerrilla warfare in Greece, and requests the President to exert all of his powers, acting through the United Nations and other international organizations and directly with the governments of the countries where these children are located, to the end that these thousands of children shall be speedily returned to their homes and homeland."

91 Statement by the President Upon Signing Bill for the Aid of the Navajo and Hopi Indian Tribes. *April* 19, 1950

I HAVE today signed S. 2734, a bill authorizing a long-range economic rehabilitation program for the Navajo and Hopi Indian Tribes.

The passage of this act is an important milestone in our Government's administration of Indian affairs. It represents a carefully developed plan for dealing with the unsolved economic problems which have delayed the social advancement of this large

segment of our Indian citizens. For these Indian groups it also represents a significant forward step in self-government—a principle to which the American people are deeply devoted.

The enactment of this bill in its present form is a source of much gratification to me. I found it necessary to veto its predecessor (S. 1407) because of a section which would have placed the Navajo and Hopi Indians

under the civil and criminal jurisdiction of the States in which they reside. The step was premature; it was not desired by the Indians themselves; and it might have placed in jeopardy both human and property rights of the Indians.

At the time I returned S. 1407 without my signature, I stated that I would be glad to approve a bill that incorporated the desirable features so necessary to the future welfare of these Indian groups, if the Congress should see fit to pass a measure without the objectionable provisions.

The present bill (S. 2734) is in substance the predecessor bill without the provisions to which I objected. It authorizes improvements which will help the Indians achieve greater economic stability, will provide better educational opportunities, and will lead to the improvement of their health. Among other helpful provisions is one which gives the Navajo Tribal Council greater control over the expenditure of tribal funds. The act also authorizes the Navajo Indians to adopt a constitution, which would enable them to exercise broad powers in the management of their own affairs.

It is reassuring to learn from the telegram of the chairman and vice chairman of the

Navajo Tribal Council, urging approval of the bill, that the "Navajos look forward with hope to the Government's commitment to help them solve their economic and social problems." I assure the members of the Council of my continued interest in their efforts toward economic and social advancement. I particularly invite their attention to section 8 of the bill which states the intention of the Congress that the tribal councils and the Indian communities affected by this program shall be kept informed and shall be consulted as the program develops. I also wish to assure the members of both the Hopi and Navajo Tribes that their religion and social customs will be fully respected in accordance with this Nation's long-established laws and traditions.

I believe that the economic development program outlined in this bill will start the Indians of the Navajo and Hopi Reservations on the way to economic self-sufficiency, which has been too long delayed. It is my sincere hope that the Congress will promptly appropriate the full amount requested in my 1951 budget to initiate this program.

NOTE: As enacted, S. 2734 is Public Law 474, 81st Congress (64 Stat. 44).

92 Address on Foreign Policy at a Luncheon of the American Society of Newspaper Editors. *April 20, 1950*

Mr. Chairman, distinguished guests, members of the American Society of Newspaper Editors:

I am happy to be here today with this group of editors. You and I have a great many important problems in common, and one of the most important of these is the responsibility we share in helping to make the foreign policy of the United States of America. That is why I am going to take

this opportunity to discuss with you some of the aspects of that policy.

No group of men in this country is of greater importance to our foreign policy than the group your society represents.

In a democracy foreign policy is based on the decisions of the people.

One vital function of a free press is to present the facts on which the citizens of a democracy can base their decisions. You

are a link between the American people and world affairs. If you inform the people well and completely, their decisions will be good. If you misinform them, their decisions will be bad; our country will suffer and the world will suffer.

You cannot make up people's minds for them. What you can do is to give them the facts they need to make up their own minds. Now that is a tremendous responsibility.

Most of you are meeting that responsibility well—but I am sorry to say a few are meeting it very badly. Foreign policy is not a matter for partisan presentation. The facts about Europe or Asia should not be twisted to conform to one side or the other of a political dispute. Twisting the facts might change the course of an election here at home, but it would certainly damage our country's program abroad.

In many other countries today, the papers print about foreign affairs only what their governments tell them to print. They can't add anything, or cut anything. In the democracies, the papers have a free hand. Only in a democracy is there such mutual trust and confidence among citizens that a private group is given such an all-important role in determining what the Nation as a whole shall do. There is too much nonsense about striped trousers in foreign affairs. Far more influence is exerted at home by the baggy pants of the managing editor than ever is exerted by the striped pants in the State Department.

There never has been a time in our history when there was so great a need for our citizens to be informed and to understand what is happening in the world.

The cause of freedom is being challenged throughout the world today by the forces of imperialistic communism. This is a struggle, above all else, for the minds of men. Propaganda is one of the most powerful

weapons the Communists have in this struggle. Deceit, distortion, and lies are systematically used by them as a matter of deliberate policy.

This propaganda can be overcome by the truth—plain, simple, unvarnished truth—presented by the newspapers, radio, newsreels, and other sources that the people trust. If the people are not told the truth, or if they do not have confidence in the accuracy and fairness of the press, they have no defense against falsehoods. But if they are given the true facts, these falsehoods become laughable instead of dangerous.

We can have confidence that the free press of the United States and most of the other free nations will keep us from being deceived by Communist propaganda. But in other parts of the world the struggle between falsehood and truth is far more intense and far more dangerous.

Communist propaganda is so false, so crude, so blatant, that we wonder how men can be swayed by it. We forget that most of the people to whom it is directed do not have free access to accurate information. We forget that they do not hear our broadcasts or read impartial newspapers. We forget that they do not have a chance to learn the truth by traveling abroad or by talking freely to travelers in their own countries.

All too often the people who are subject to Communist propaganda do not know Americans, or citizens of other free nations, as we really are. They do not know us as farmers and as workers. They do not know us as people having hopes and problems like their own. Our way of life is something strange to them. They do not even know what we mean when we say "democracy."

This presents one of the greatest tasks facing the free nations today. That task is nothing less than to meet false propaganda with truth all around the globe. Every-

where that the propaganda of the Communist totalitarianism is spread, we must meet it and overcome it with honest information about freedom and democracy.

In recent years there has been tremendous progress all over the world in education and the exchange of ideas. This progress has stirred men everywhere to new desires and new ambitions. They want greater knowledge, they want better lives, they want to be masters of their own affairs. We have helped and encouraged these people, but the Communists have seized upon their desires and ambitions and are seeking to exploit them for their own selfish purposes.

In the Far East, for example, millions are restlessly seeking to break away from the conditions of poverty and misery that have surrounded them in the past. The Communists understand this situation very well. They are trying to move in and take advantage of these aspirations. They are making glittering promises about the benefits of communism. They reach directly to the peasant or the villager in these vast areas, and talk to him directly in his own tongue about the things he has learned to desire. They say that they can get these things for him. And too often he hears no voice from our side to that dispute.

We know how false these Communist promises are. But it is not enough for us to know this. Unless we get the real story across to the people in other countries, we will lose the battle for men's minds by pure default.

The Communist propaganda portrays the Soviet Union as the world's foremost advocate of peace and the protector of defenseless peoples. The contradiction between what the Communist leaders have promised and what they have actually done is so startling that we are amazed that anyone can be deceived. In Berlin, in Czechoslovakia, in the Balkans, in the Far East, they have proved,

time after time, that their talk about peace is only a cloak for imperialism. But their intended victims will not learn these facts from Soviet propaganda. We are the ones who must make sure that the truth about communism is known everywhere.

At the same time, we must overcome the constant stream of slander and vilification that the Communists pour out in an effort to discredit the United States and other free nations.

Soviet propaganda constantly reviles the United States as a nation of "warmongers" and "imperialists." You and I know how absurd this is. We know that the United States is wholly dedicated to the cause of peace. We have no purpose of going to war except in the defense of freedom. Our actions demonstrate that we mean exactly what we say. But when men throughout the world are making their choice between communism and democracy, the important thing is not what *we* know about our purposes and our actions—the important thing is what *they* know.

Communist propaganda also seeks to destroy our influence in the world by saying the American economy is weak and about to collapse. We know this is preposterous. The industrial production of the United States is equal to that of all the rest of the world combined. Our agricultural production is more than adequate for our needs. Our people enjoy the highest standard of living in the history of the world. Our economic strength is the bulwark of the free world.

From every standpoint, our free way of life is vastly superior to the system of oppression which the Communists seek to impose upon mankind. In many parts of the world, however, where men must choose between freedom and communism, the story is going untold.

We cannot run the risk that nations may

be lost to the cause of freedom, because their people do not know the facts.

I am convinced that we should greatly extend and strengthen our efforts to make the truth known to people in all the world.

Most of us have recognized for years, of course, how important it is to spread the truth about freedom and democracy. We are already doing some very good work—through the “Voice of America” and the United States information offices and libraries in many parts of the world, through the exchange of students, through the United Nations and its affiliated organizations, and in many other ways. But events have shown, I believe, that we need to do much more, both ourselves and in cooperation with the other free nations. We must use every means at our command, private as well as governmental, to get the truth to other peoples.

Private groups and organizations have an important part to play. Our labor unions have already done fine work in communicating with labor in Europe, in Latin America, and elsewhere. The story of free American labor, told by American trade unionists, is a better weapon against Communist propaganda among workers in other countries than any number of speeches by Government officials.

The same principle applies to other groups. The best way for farmers in other countries to find out about us is to talk directly with our own farmers. Our businessmen can speak directly to businessmen abroad. We need to promote much more direct contact between our people and those of other countries.

We should encourage many more people from other countries to visit us here, to see for themselves what is true and what is not true about this great country of ours. We should find more opportunities for foreign students to study in our schools and univer-

sities. They will learn here the skills and techniques needed in their own countries. They will also see at first hand the rights and duties of citizens in our land of democratic institutions.

Our colleges should train more Americans to go abroad as teachers, especially to teach modern methods of farming, industry, and public health—and, by example, to teach our concepts of democracy. The notable record of our many charitable and religious organizations who send teachers abroad is a proof of what can be done.

Another major part of our effort must be carried out through our great public information channels—newspapers and magazines, radio, and motion pictures. We must strive constantly to break down or leap over barriers to free communication wherever they exist. We must make full use of every effective means of communicating information, in simple, understandable form, to people whose backgrounds and cultures are different from our own.

This poses an enormous challenge to groups such as yours, a challenge which can be met only by extraordinary inventiveness and enterprise. I am confident that the American press can and will make a tremendously useful contribution toward finding new solutions.

The Government's programs for telling the truth about the United States to the peoples of the world also need constant improvement. Our present overseas information and educational exchange program is getting results. For example, the “Voice of America” has been carrying to people behind the Iron Curtain the true story of world events. It has been so successful that the Soviet government is using a vast amount of costly equipment in an attempt to drown out our broadcasts by jamming. We must devise ways to break through that jamming

and get our message across. And we must improve and strengthen our whole range of information and educational services.

This is not a conclusion reached by Government officials alone. We have had the valuable aid of the United States Advisory Commission on Information created by the Congress. Your own society is ably represented on that commission by Mr. Mark Ethridge and Mr. Erwin D. Canham. The members of the Commission have given intensive study to the overseas information program and have made repeated recommendations that it be substantially expanded. Similar recommendations for the exchange program have been made by the Advisory Commission on Education, headed by Dr. Harvie Branscomb. I have been glad to see that many members of the Congress have urged an improved and expanded program in these fields—as shown, for example, by the resolution introduced recently by Senator Benton for himself and a number of his colleagues.

Because of the pressing need to increase our efforts along this line, I have directed the Secretary of State to plan a strengthened and more effective national effort to use the great power of truth in working for peace. This effort will require the imagination and energies of private individuals and groups throughout the country. We shall need to use fully all the private and governmental means that have proved successful so far—and to discover and employ a great many new ones.

Our task is to present the truth to millions of people who are uninformed or misinformed or unconvinced. Our task is to reach them in their daily lives, as they work and learn. We must be alert, ingenious, and diligent in reaching peoples of other countries, whatever their educational and cultural backgrounds may be. Our task is to show them that freedom is the way to economic and so-

cial advancement, the way to political independence, the way to strength, happiness, and peace.

This task is not separate and distinct from other elements of our foreign policy. It is a necessary part of all we are doing to build a peaceful world. It is as important as armed strength or economic aid. The Marshall plan, military aid, point 4—these and other programs depend for their success on the understanding and support of our own citizens and those of other countries.

We must make ourselves known as we really are—not as Communist propaganda pictures us. We must pool our efforts with those of other free peoples in a sustained, intensified program to promote the cause of freedom against the propaganda of slavery. We must make ourselves heard round the world in a great campaign of truth.

We have tremendous advantages in the struggle for men's minds and loyalties. We have truth and freedom on our side. The appeal of free institutions and self-government springs from the deepest and noblest aspirations of mankind. It is based on every man's desire for liberty and opportunity. It is based on every man's wish to be self-reliant and to shape his own destiny.

As we go forward with our campaign of truth, we will make lasting progress toward the kind of world we seek—a world in which men and nations live not as enemies but as friends and brothers.

NOTE: The President spoke at 2 p.m. at the Hotel Statler in Washington. His opening words "Mr. Chairman" referred to B. M. McKelway of the Washington Star, president of the American Society of Newspaper Editors. In the course of his remarks he referred to Mark Ethridge, publisher of the Louisville Times and the Louisville Courier-Journal, Erwin D. Canham, editor of the Christian Science Monitor, and Dr. Harvie Branscomb, chancellor of Vanderbilt University.

The annual convention of the American Society of Newspaper Editors was held in Washington April 20-27, 1950.

93 Special Message to the Congress Urging Extension of Rent Control. *April 21, 1950*

To the Congress of the United States:

In my State of the Union Message in January, I recommended extension of rent control for another year beyond the present expiration date of June 30. Developments since that time have made it even clearer that a Federal program of rent control is still required in many localities. I wish, therefore, to reemphasize the urgency of Congressional action to extend the rent control program.

I strongly advocate extension of rent control because I am convinced that the public interest requires it. Housing is the one area of acute shortage remaining from wartime. Removal of controls would mean serious hardship for millions of tenants who are caught in a "seller's market" and cannot obtain lower rents by shopping around. Until supply is near enough to demand so that the forces of competition will again operate effectively to protect the tenant, rent control should continue.

At the same time, we should continue the present policy of granting the landlord all justifiable increases in rent. The basis of our policy has been fairness to both the landlord and the tenant.

Since the end of the war, our aim has consistently been to overcome the housing shortage. With this objective, we have vigorously pressed programs to expand the volume of housing. At the same time, we have decontrolled rents in a gradual and orderly manner, community by community, as soon as the supply of housing in each community achieved reasonable balance with the demand. Extension of rent control for another year will be consistent with this policy. It will also contribute substantially to the stability of the national economy as a whole.

The policy of orderly decontrol has resulted in a steady reduction of the number of units under control. At its peak in 1946, Federal rent control covered over 16 million dwelling units. It now covers 11 million. Within the last year, the Housing Expediter has decontrolled 1,300,000 rental units while State and local governments have decontrolled 1,800,000 units. However, in many cases State and local decontrol actions were premature, and resulted in excessive increases in rents.

Actions taken by four States will remove Federal rent control from an additional 2,600,000 rental units by July 1, 1950. The bulk of these units will not actually be decontrolled but instead will be shifted from Federal to State rent control. Even taking into account these latest State actions, over 8 million rental units will still be under Federal control.

In areas where Federal control has remained in effect, the Housing Expediter has followed a fair policy in granting rent increases to landlords. During the last year alone, increases have been authorized covering over 900,000 units. The average increase authorized was 18 per cent.

But while we have made progress in reducing the coverage of rent control and can look forward to further progress, the time has not yet come for the final elimination of Federal rent control.

The 8 million rental units which will still be under Federal control on June 30 are located in 40 States of the Union. Federal control will still be in effect in 63 of the 92 cities with populations over 100,000 in the last census, as well as in thousands of our smaller cities, towns, and localities. Rent control will still be a national problem. The housing shortage will still be acute.

Despite the record volume of housing production in recent years, only in the past year or two have we begun to catch up on the accumulated shortage. But even the recent gains have been mainly in certain areas and for certain types of housing—not equally for all. The bulk of new construction since the war has been priced to meet the needs of the higher-income families. In large cities, new units suitable for families with children generally rent for \$85 a month or more. Housing at rentals that families with incomes of less than \$300 a month can afford is still extremely scarce in most urban areas and in thousands of smaller communities. In many of the larger urban areas there are virtually no rental vacancies in livable dwellings. The situation is also particularly severe in smaller communities near military installations where the families of many married servicemen live.

The housing legislation enacted by the Eighty-first Congress will help to meet these urgent housing needs. The Act passed in 1949 initiated a broad new program of low-rent public housing. The Housing Act of 1950 provides new incentives for privately financed homes for families of moderate income. Much of the additional housing made possible by these measures, however, will not be available for some time. Nor will these measures be as fully effective in meeting the needs of all our people as would have been the case if the Congress had adopted the cooperative middle-income housing program which I proposed. Therefore, while there is every reason to expect steady progress in expanding the supply of housing, it will be some time before supply comes into reasonable balance with demand on a national basis.

It is highly significant that every one of the 63 large cities still under Federal rent control on June 30, as well as each of the thousands of smaller communities covered,

has had the option to remove controls but has chosen to retain them. The reason for their decision—and the wisdom of it—is clearly evident in the results of a Bureau of Labor Statistics survey of rent increases in 14 cities where Federal rent controls were removed during 1949. Of these 14, all but one were decontrolled through State or local action; in two cases, State controls were substituted. This survey shows that of those units whose rents were free to rise (excluding those whose rents were controlled by lease and those which had been earlier decontrolled individually), the proportion of units having increases ranged from 17 to 74 per cent, with 60 per cent or more in such large cities as Milwaukee, Dallas, Omaha, and Knoxville. Among units having increases, the average rise in rents ranged from 12 per cent in Madison, where State law limited the amounts of increase permitted, to 41 per cent in Houston. In 8 of the 14 cities, the average increase was over 25 per cent.

The survey also shows that the impact was heaviest on low-income groups. Among units renting for under \$30 a month, the proportion having increases was greater than among higher-rent units. The average percentage increases were also markedly higher ranging up to 46 per cent in Houston, 52 per cent in Wichita, and 56 per cent in Dallas. In 7 cities, the average increase was 35 per cent or higher.

These increases, I want to emphasize, occurred in cities where it was believed the housing shortage had been reduced enough to permit decontrol. There is every reason to assume that in other cities, and particularly the largest ones, the effects of decontrol at this time would be even more drastic. Chicago landlords, for example, argued in court last fall that they were entitled to a 71.5 per cent rent increase.

It is clear, therefore, that a sudden and

simultaneous removal of rent controls on a national scale would precipitate a wave of exorbitant rent increases. Such increases would seriously reduce the purchasing power of millions of families. Since there are very few vacant livable housing quarters available for rent within the means of low and middle-income families, they would have no choice but to pay the rent increases demanded. These families are already living on tight budgets. The money to pay high rents would have to come out of their purchases of food, clothing, and other necessities. The burden would be most serious for the one-fourth of our families with incomes of less than \$40 a week.

A sudden and rapid increase in rents would affect adversely sales and employment in many industries and trades. In addition, public assistance costs would rise, increasing

Federal, State and local budgets. Public and private pensions for the aged would become more inadequate.

In contrast to the hardships and economic dislocations which would follow a sudden and premature termination of rent control, we have the sound alternative of continuing a policy which protects the tenant and at the same time is fair to the landlord. The welfare of our citizens as well as the stability of our national economy require that this policy be continued. I therefore urge that the Congress extend Federal rent control to June 30, 1951.

HARRY S. TRUMAN

NOTE: On June 23, 1950, the President signed the Housing and Rent Act of 1950 (64 Stat. 255), and on December 20, 1950, he signed a bill extending certain provisions of the Housing and Rent Act of 1947 until March 31, 1951 (64 Stat. 1113).

94 Address at a Dinner of the Federal Bar Association. *April 24, 1950*

Mr. President, distinguished guests, members of the Federal Bar Association:

I am delighted to be at this dinner tonight, and to join in commemorating the 30th anniversary of the founding of this fine organization of Federal lawyers. You know, you have an unusual representation of the Government here tonight. You have the executive branch, represented by the President and the members of his Cabinet. You have the Chief Justice and members of the greatest court on earth, representing the judicial branch of the Government, and you have the second most powerful man—sometimes I think he is the first most powerful man in the Government of the United States—in the Speaker of the House of Representatives, which represents the legislative branch of the Government.

It would be rather hard for me to deny that I am friendly to lawyers. The record would speak against me if I should deny it.

Six of the nine members of my Cabinet are lawyers. So are quite a few other top officials of the executive branch.

When you couple this with the fact that over half of the House of Representatives and about two-thirds of the Senate are lawyers, as well as all our Federal judges of course, you can see that—so far as the Government of the United States is concerned—the legal profession is not just a passing fancy. It is probably here to stay.

Our lawyers have a primary responsibility in the maintenance of justice. This is particularly true of the Government lawyer, whose first devotion must be to the public interest. The public interest does not mean

only the interest of the Government. It means also the protection of the rights of individual citizens.

Our concept of justice represents a basic difference between our system of government and that of the totalitarian states. Justice is the foundation of true democracy. Our system of justice preserves the freedom and dignity of the individual, and his right to think and speak as he feels and to worship as he pleases. It protects him in the assertion of his rights even against his own government. It makes certain that his assertion of those rights will be fairly considered and justly decided.

But there is in the world today a tyrannical force which does not recognize justice as we know it. It is a force which crushes the minds and bodies of those under its control, and seeks to enlarge itself by aggression and by false promises of freedom and economic security.

Wherever this force extends, there is no freedom of speech, no freedom of religion, no freedom even of opinion. The state is the all-powerful arbiter of men's words and acts. Human dignity and human freedom are meaningless.

Against this tyrannical force, which we know as communism, the United States stands as the great champion of freedom. Against this force, the United States has developed and put into effect a positive program to strengthen freedom and real democracy. Our program is shaped to strengthen the United States and to help other free nations protect themselves against aggression and subversion.

Since the end of the war we have taken farseeing steps, unprecedented in the history of the world, to help other free nations rebuild from the destruction of war and strengthen their democratic institutions. Our programs of foreign aid have made it

possible for these free nations to resist Communist aggression.

The Greek-Turkish aid program, the Marshall plan, the North Atlantic Treaty, the military assistance program, and our support of the United Nations are the major elements in our central policy to work for a peaceful and a prosperous world. We have taken the leadership in aiding underdeveloped areas, and in reducing trade barriers between nations. We are keeping our military forces strong and alert, and we are giving meaning and strength to our joint defense arrangements with other countries.

We have done all this because it represents enlightened self-interest. We know that the greatest threat to us does not come from the Communists in this country, where they are a noisy but small and universally despised group. The greatest threat comes from Communist imperialism abroad, where the center of its military and economic strength lies. The real danger is that communism might overrun other free nations and thus strengthen itself for an ultimate attack against us.

But although communism is not a major force in this country, we are taking no chances on its becoming a strong force. On the one hand, we are working to create conditions in the United States in which communism cannot possibly thrive. On the other hand, we are striking hard blows at Communist subversion wherever it is found.

We are vigorously pressing domestic programs to improve the standard of living of our people, to assure equal opportunity for all, and to promote their health and education, and their security and freedom. These programs were not specifically designed as anti-Communist measures. We would have had them even if there were not a single Communist in the world. Nevertheless, they are among the strongest anti-Communist

nist weapons in our whole arsenal.

Communism has little appeal for people who are healthy, well-educated, prosperous, and free. Moreover, there are few things that will do more to prevent the Communists from winning followers in other lands than a demonstration by the United States that democracy truly means a better, freer life for everybody.

While we have been working to improve our democracy, we have been fully aware of the threat of Communist subversion within our own borders. Through the Federal Bureau of Investigation and our other security forces, through prosecutions in the courts by the Department of Justice, through our Federal employee loyalty program, and in many other ways, we have vigorously attacked Communists wherever their activities became a threat to our liberties.

There has been so much confusion recently about who is doing what to defeat communism in this country, that I think the record should be set straight.

This administration has fought communism with action and not with just words. We have carried on this fight with every law on the statute books, and we have recommended new laws when we found they were necessary and could be framed without impairing the very freedoms we are seeking to protect.

No known instance of Communist subversion—or any other kind of subversion—has gone uninvestigated.

No case where the facts warranted has gone unprosecuted.

We have prosecuted and obtained conviction of 11 top-ranking members of the Communist Party in this country. We have successfully prosecuted many other persons for crimes related to communism. We have also prosecuted and obtained conviction of a large number of alleged Communists on

charges of contempt for refusing to testify before Federal grand juries or congressional committees. And those prosecutions have been carried on by the Attorney General's office in the executive part of the Government.

We now have under investigation the cases of over 1,000 citizens to determine whether steps should be taken to revoke their citizenship on grounds involving subversive activities. One hundred and thirty-eight persons are under orders of deportation on grounds involving communism.

There is no area of American life in which the Communist Party is making headway, except maybe in the deluded minds of some people. The Communists have done their best to penetrate labor unions and the Government, but they are being successfully fought on both fronts. Labor has been doing a splendid job of cleaning its house. In the Federal Government, the employee loyalty program has been an outstanding success, and you Government lawyers have contributed greatly to its result.

I set up the employee loyalty program 3 years ago with two objectives in mind.

I was determined, as far as it was humanly possible, to see that no disloyal person should be employed by our Government, whether he was a Communist or a native American Fascist of the Silver Shirt or Ku Klux Klan variety. I was equally determined that loyal Government employees should be protected against accusations which were false, malicious, and ill-founded. And that is just as important as the other part of the program.

The loyalty program was drafted by able and experienced people to protect the security of the Government and to safeguard the rights of its employees. It is the first time in the history of this country that we have had such a program. The Communists and their friends, as well as some sincere idealists,

say that it is too drastic. The false patriots and even some honest reactionaries say that it is entirely too mild. They want us to dismiss employees on the basis of unsupported charges. They actually resent the democratic safeguards of the loyalty program. All this confirms me in the conviction that it is a sound and effective program conceived and carried out in the American tradition. And that is just what it is.

The FBI, the agency loyalty boards, and the Loyalty Review Board have quietly and effectively carried out their job of protecting the integrity and security of the Government of the United States. The Loyalty Review Board is the central organization which directs the whole program. It is divided about half and half between Democrats and Republicans, and is headed by a distinguished Republican lawyer, Mr. Seth Richardson, who served as Assistant Attorney General of the United States under President Hoover.

Under the supervision of this Board, the loyalty program has rid the Government of all employees who were found to be disloyal—and they were only a tiny fraction of 1 percent.

Not a single person who has been adjudged to be a Communist or otherwise disloyal remains on the Government payroll today.

The able men charged with carrying out the loyalty program know that keeping disloyal persons out of the Government is a business which must be done carefully and objectively. They know that the job cannot be done by publicly denouncing men as "Communists" without having evidence to support such a charge, or by blackening the character of persons because their views are different from those of the accuser, or by hurling sensational accusations based on gossip, hearsay, or maybe just a hunch. They know that no one whose principal concern

was the security of this country would try to do it that way. They know that any one who had information about Communist activity, or who placed the security of this country above selfish or partisan considerations, would turn that information over to the FBI, so that it could be properly investigated and the necessary action taken.

I have been surprised to see how much ignorance and misunderstanding there is about this loyalty program—even on the part of people who should know better. It has occurred to me that perhaps they do know better—or perhaps there is some element of politics in their accusations. Of course that couldn't be the case.

A large part of the hue and cry about the loyalty program has centered on my refusal to turn over to a congressional committee confidential loyalty files concerning individual employees. I have already stated several times the reasons why these files must not be disclosed. I want to restate them briefly, now.

The preservation of the strictest confidence with respect to loyalty files is the single most important element in operating a loyalty program which provides effective security for the Government and justice for the individual employee.

The disclosure of these files would not only destroy the whole loyalty program, but it would seriously damage the future usefulness of the FBI. Information is given to the FBI in confidence, which the FBI has sworn to protect. Breaking the confidence would not only greatly embarrass and even endanger the informants involved but would gravely impair the FBI's ability to get future information from other confidential sources.

Opening these files would reveal FBI procedures and methods. It might reveal highly secret information vital to our national security and of great value to foreign nations.

Disclosure of the files would result in serious injustice to the reputation of many innocent persons. This is true because the FBI investigative files do not contain proven information only. They include unverified charges and statements, as well as mere suspicions, which, upon investigation, are found to be untrue.

If I should now open these files, I would create a precedent for future cases in which access to these files is demanded—and there would be many of those requirements. This would completely destroy the loyalty program, since, as experience shows, it would mean an attempt to try all loyalty cases over again in newspaper headlines, although they had already been carefully considered and fairly decided by a bipartisan board of loyal and distinguished Americans.

This question of maintaining the confidential character of information which the President determines it would not be in the public interest to disclose is not new. It goes back to the beginnings of our Government. It started with Washington, was upheld by Monroe, and Jackson, Grover Cleveland, Theodore Roosevelt, Franklin Roosevelt, and half a dozen other Presidents I could name to you have taken the same position which I am taking. Nothing new at all. All you need do is read your history and study this situation, and you will find out that I am right on it.

Despite the historic precedents, with which I was thoroughly familiar, I gave the most careful consideration to the recent request of a Senate committee for access to the loyalty files. I obtained the views of Attorney General McGrath, the Loyalty Review Board Chairman, Seth Richardson, and the FBI Director, Edgar Hoover, before I reached my decision to deny this request. All three were unanimous in recommending to me in the strongest possible terms that I refuse to make the files available. The de-

cision was mine to make and I made it. I am confident that no President, whatever his party, would have acted otherwise. I would do it again, if necessary.

The Federal employee loyalty program has demonstrated that the United States has the most loyal civil service in the world. It is a splendid organization, and I am proud to head it.

Of course, in an organization as large as the United States Government it is always possible, despite the greatest precautions, that there may be a few bad individuals. We shall not for one minute relax our vigilant efforts to protect the security of the Government of the United States. That is what I have sworn to do, and that is what I shall proceed to do to the best of my ability.

The present Attorney General and his predecessor have repeatedly asked that if any person has any information about the presence of any Communist in the Government, it be furnished to them.

I now repeat that request.

That is for anybody in the country who has any information that he feels would contribute to the safety and the welfare of the Government. All he has to do is to put it through the regular channels, and if results are to be obtained, they will be obtained. That is the only way you can do it, too.

If any citizen knows of the presence of a single Communist or other subversive person in any Federal job, let him furnish that information, and the evidence which supports his belief, to the Attorney General or to the FBI. Any information that may be furnished in response to this request will be promptly investigated and will be acted upon if the allegations are found to be true.

The fact of the matter is—because of measures we are taking—the internal security of the United States is not seriously threatened by the Communists in this coun-

try. There are proportionately fewer Communists in this country than in any other large country on earth. They are noisy and they are troublesome, but they are not a major threat.

Moreover, they have been steadily losing ground since their peak in 1932, at the depth of our greatest depression, when they polled the largest number of votes in their history in this country.

There is a right way and a wrong way to fight communism. This administration is doing it the right way, and the sensible way.

Our attack on communism is embodied in a positive, threefold program:

One, we are strengthening our own defenses and aiding free nations in other parts of the world so that we and they can effectively resist Communist aggression.

Two, we are working to improve our democracy so as to give further proof, both to our own citizens and to people in other parts of the world, that democracy is the best system of government that men have yet devised.

Three, we are working quietly but effectively, without headlines or hysteria, against Communist subversion in this country wherever it appears, and we are doing this within the framework of the democratic liberties we cherish.

That is the way this administration is fighting communism. That is the way it is going to continue to fight communism.

Now I am going to tell you how we are

not going to fight communism. We are not going to transform our fine FBI into a Gestapo secret police. That is what some people would like to do. We are not going to try to control what our people read and say and think. We are not going to turn the United States into a rightwing totalitarian country in order to deal with a leftwing totalitarian threat.

In short, we are not going to end democracy. We are going to keep the Bill of Rights on the books. We are going to keep those ancient, hard-earned liberties which you lawyers have done so much to preserve and protect.

If we all work together to maintain and strengthen our democratic ideals, communism will never be a serious threat to our American way of life. The example we set for free men everywhere will help to roll back the tide of Communist imperialism in other parts of the world.

Now, I have outlined for you my program against communism.

This is the way I have worked against it.

This is the way I shall continue to work against it.

And now, I call on all fairminded men and women to join me in this good fight.

NOTE: The President spoke at 10 p.m. at the Hotel Statler in Washington. His opening words "Mr. President" referred to James Palmer, president of the Federal Bar Association. In the course of his remarks the President referred to the Chief Justice of the United States, Fred M. Vinson, and to the Speaker of the House of Representatives, Sam Rayburn. The address was broadcast.

95 Letter to the Chairman of the President's Committee on Religion and Welfare in the Armed Forces. *April 27, 1950*

Dear Mr. Weil:

I heartily approve the present efforts of the President's Committee on Religion and Welfare in the Armed Forces to stimulate community organization on behalf of the men

and women of our armed forces.

I know that the American people today feel a great friendship for the individual in the uniform of his country's defense forces. The problem now at hand is to encourage

civilians in areas near military installations to translate that friendship into active religious and recreational programs that will encourage each serviceman to participate in the wholesome life of the community.

The predominantly youthful and civilian character of our large peacetime armed forces makes it imperative that all sections of the community join these programs. Churches, synagogues, social welfare groups, veterans organizations, fraternal societies, women's clubs, cultural and entertainment groups, educational interests, labor unions, business associations, civic clubs, municipal government, youth groups—all these and many more ought to open their doors and their hearts to the young servicemen in a strange town.

I am glad that the Committee, with the help of the large private voluntary agencies, is going to take its program to the people in communities near military installations. Once the American people know the facts, they can be counted on to respond with vigor, determination, and eventual success.

Very sincerely yours,

HARRY S. TRUMAN

[Mr. Frank L. Weil, Chairman, The President's Committee on Religion and Welfare in the Armed Forces, Washington, D.C.]

NOTE: Mr. Weil's letter, dated April 24, was released with the President's reply.

In his letter Mr. Weil stated that the recent deactivation of United Service Organizations had left unfinished the important task of encouraging local communities to provide programs for the spiritual, moral, and recreational welfare of servicemen and women.

"We are convinced," he said, "that some national assistance is needed to help local communities make full use of their own resources to meet the needs of these men and women. Thus, we are asking all interested national organizations to join with the President's Committee in bringing information, assistance and support to the approximately 120 local communities near military installations. We have asked these organizations to make available to us staff personnel who can work with our staff in encouraging and helping local communities and organizations operate a program for the spiritual and moral welfare of servicemen. . . .

"Plans have been completed for periodic reports to communities of progress and activities in other communities, so that as our field personnel bring back information on programs and activities in the areas they have visited, the information can be made available to other communities."

The letter announced that the Committee had prepared a booklet, entitled "Community Planning for the Peacetime Serviceman," for distribution to interested community leaders and military officials.

See also Item 32.

96 Statement by the President Announcing Steps Taken To Develop a Bipartisan Approach to Foreign Policy. April 27, 1950

I ASKED Secretary Acheson and Senator Connally to call on me this morning for the purpose of canvassing in general the efforts that we are all making to devise ways of bringing about a true bipartisan approach to the consideration of our foreign policies.

I have been particularly interested in Senator Connally's plan to set up eight subcommittees of the Foreign Relations Committee, which subcommittee groups will correspond with the organizational structure of the State Department. This new procedure is a decided step forward in the

matter of keeping the Committee, and through the Committee, the Senate, currently informed of State Department attitudes toward pending foreign policy issues.

This new approach will serve not only to provide mechanics for free interchange of information between State Department representatives and the Senate Foreign Relations Committee, but it will have the added advantage of quickening an interest on the part of the various consultative subcommittees in the particular areas of the world or the State Department functions for which

they are given specific responsibility in this new Committee organizational arrangement.

I hope that the Foreign Affairs Committee of the House of Representatives will see fit to adopt a somewhat similar pattern, in order that we may bring about greater under-

standing and confidence between State Department representatives and the Members of the Congress who represent the House and the Senate in the various fields of State Department operations.

NOTE: See also Item 89.

97 The President's News Conference of *April 27, 1950*

[Held in the Indian Treaty Room, Executive Office Building]

THE PRESIDENT. [1.] I think I had better make a statement to you about this proposed change. It occurred to me that it would be more comfortable for you. I know it will be more comfortable for me to be able to see everybody, and for everybody to be able to hear what is said. That room over across the street is built in such a manner that the acoustics are not good. Whenever I have a conference of any importance where there are more than three people present, I always move it back in the Cabinet Room.

I want the procedure to go just as it always has, and when the top White House correspondent gets tired, or thinks he wants to say "Thank you, Mr. President," we will quit.

Q. Mr. President, will you please speak a little bit louder? [*Laughter*]

THE PRESIDENT. I will. Maybe I'll have to put a mike up here, if you can't hear back there. I thought you could. I could hear you much better than I could hear you over in that other room.

[2.] I have an announcement to make. Stanley Woodward is going to be the Ambassador to Canada. And just a day or two after the leak came about in Canada, he called up Mr. Connelly,¹ and wanted to know if the proposed new Ambassador to Canada could see the President. And Mr. Connelly told him that he would have to take it up

with protocol in the State Department if he expected to see me. [*Laughter*]

[3.] I am interested in the reorganization plans that are now before the Congress. I sent down 21 of them.² They have resolutions against 8 of them introduced in the Senate, and I think 5 in the House.

Now, if we are going to have efficiency in the Government—we spent an immense amount of money, and a lot of time. And the commission headed by Mr. Hoover and Dean Acheson brought in an excellent report. I have had the executive branch of the Government working on that report ever since it came in. And as fast as we get these reorganization plans ready, I have been sending them down to the Congress.

And I think if we are going to make any sincere effort to carry out that able and efficient report in an able and efficient manner—we must remember that the reason the Congress itself has not been able to make the necessary reorganization of the Government by law is because every single one of them has some special reasons added on to get this thing or that thing done—every one of these reorganization plans will tend to increase the efficiency of the Government. And I am exceedingly anxious that those 21 plans be approved.

I am working on other plans now, which I will send down to this session of Congress

¹ Matthew J. Connelly, Secretary to the President.

² See Items 53-76.

before it adjourns, as soon as we get them ready. And I sincerely hope that they will all be approved.

That's all I have to say, gentlemen. I will answer all the questions I can, if you will ask them.

Q. Mr. President, how many more plans do you expect to have?

THE PRESIDENT. We are going to keep on until we have lined up that five-volume report. I don't know how long it will take, or how many plans it will take.

[4.] Q. Mr. President, I wonder if you are familiar with the RFC loans being investigated by the Fulbright committee³ up on the Hill?

THE PRESIDENT. No, I am not. That is what I have had the RFC for, to make the investigation of those loans. I am not familiar with them.

[5.] Q. Mr. President, one of the results of the McCarthy⁴ investigation has been a countercharge that he is being fed material by Nationalist China sources. I wonder if you would care to make any comment on the suggestion raised by several publications, including the New Republic, for an investigation of the so-called China lobby?

THE PRESIDENT. It seems to me that that is a question you ought to ask the chairman of the committee. Let him find out. I have no comment on it.

[At this point there was a pause in the questioning.]

THE PRESIDENT. Don't be bashful, gentlemen! [Laughter]

[6.] Q. Could you tell us something, sir, about your interview yesterday with the

Treasury Minister of Argentina?⁵

THE PRESIDENT. He paid me a courtesy call, as nearly all these foreign dignitaries do. I had a very pleasant visit with him, and he told me that he had been discussing various matters in which both the Argentine Government and the Government of the United States are interested, that he had received the utmost cooperation from the people with whom he had to deal, that he had several other interviews to make, and several other people to see. And I told him I hoped he would have the same courteous treatment, and have the same good results which he assured me he had had up to date. That is the gist of the conversation.

[7.] Q. Mr. President, to get back to those reorganization plans, I understand that your Secretary of the Treasury is opposed to the transfer of the currency into—

THE PRESIDENT. The Secretary of the Treasury has his views, which he is entitled to, on the control of the currency. That is one small part of that reorganization plan. The plan should not be defeated on that account.

[8.] Q. Mr. President, within the past day or so the direction of the military budget appears to have turned upward again—there have been recommendations on the Hill—I wonder if you would comment on that in relation to your general policy—

THE PRESIDENT. I think the statement of the Secretary of Defense to the Appropriations Committee fully covers the situation.⁶

⁵ Ramón A. Cereijo.

⁶ Secretary of Defense Louis Johnson appeared before the House Appropriations Committee on April 26 and stated that the Department of Defense had been engaged in a reevaluation of the country's military requirements since September 23, 1949, when President Truman had announced that there had been an atomic explosion in the Soviet Union. He urged that the Committee recommend an increase in the military budget of \$350 million. Of that sum \$300 million was to be used for aircraft procurement and \$50 million for antisubmarine vessels. His recommendation was approved by the Committee.

³ Senator J. William Fulbright of Arkansas, Chairman of the Subcommittee on the Reconstruction Finance Corporation of the Senate Banking and Currency Committee.

⁴ Senator Joseph R. McCarthy of Wisconsin, member of the Investigations Subcommittee of the Senate Committee on Expenditures in the Executive Departments.

Q. And you support it?

THE PRESIDENT. And it was submitted to me for approval before it was made, and I think it is necessary or I would not have approved it.

[9.] Q. Mr. President, regarding the Navy Privateer plane,⁷ I wonder if the next time Russian planes buzz around our planes that the Russians' claims are likely to be true, that is, that we fired—

THE PRESIDENT. That is a matter that the State Department has been handling, and I can't comment on it, I'm sorry.

[10.] Q. Mr. President, insomuch as nominations from the White House for top-level posts are frequently held up by the Senate confirmation quite a long while, would you recommend or approve legislation calling for approval of such within a reasonable time?

THE PRESIDENT. Well now, I was a United States Senator from Missouri for 10 years. The Senate has certain rules with regard to their advice and consent power in the Constitution. I wouldn't change it. I manage to get along all right, whether they approve it or whether they don't. I think most of them will be approved.

[11.] Q. Mr. President, do you have any comment on the recommendation of Mr. Jesse Jones for abolition of the RFC?⁸

THE PRESIDENT. No comment. Mr. Jones no longer runs it. Maybe that might be the reason he made that comment.

⁷ See Item 86 [23].

⁸ As reported in the New York Times, Jesse Jones, Chairman of the Reconstruction Finance Corporation from 1933 to 1939, stated his case for terminating the Corporation in a letter to Senator J. William Fulbright, Chairman of the Subcommittee on the Reconstruction Finance Corporation of the Senate Banking and Currency Committee. The letter pointed out that the conditions that prompted the creation of the Reconstruction Finance Corporation in the days of the depression no longer existed and that continued activity in the field put the Government in competition with private lending companies.

[12.] Q. Mr. President, are you going to make another effort to get draft legislation at this session?

THE PRESIDENT. I sent a message on the subject and I think in the Message on the State of the Union, both last January and the January before. That still stands.

Q. Will you make another effort?

THE PRESIDENT. That still stands. That still stands. That is before the Congress now and has been right along. My position hasn't changed, and I don't intend to change it.

Q. Mr. Vinson,⁹ chairman of the House Committee came out yesterday in favor of it.

THE PRESIDENT. I am very happy. Very happy that he did.

[13.] Q. Mr. President, have you got any kind of plan to hold on to Berlin in case this demonstration comes off on May 28th?¹⁰

THE PRESIDENT. That is a matter on which I can't comment.

Q. What was the answer?

THE PRESIDENT. I can't comment on it.

Q. Could you comment on the report that we are prepared to shoot?

THE PRESIDENT. I can't comment on it at all.

[14.] Q. Mr. President, at the conclusion of this unusual press conference, will you express to the correspondents how you like it? [*Laughter*]

THE PRESIDENT. Oh, surely. Surely I will.

Q. Mr. President, in relation to that question, since this is the first conference in this room, you might know of some of the historic events which have occurred in this room, and I am wondering if you are familiar with—

⁹ Representative Carl Vinson of Georgia, Chairman of the House Armed Services Committee.

¹⁰ The East German Communists had threatened to stage a demonstration in Berlin on May 28. The demonstration was to take the form of a march on West Berlin.

THE PRESIDENT. Not entirely. I am familiar with some of them, but not with all of them.

Q. A historic Indian treaty, opening the West, was signed here.

THE PRESIDENT. Lots of things happened in here.

I might comment further on the reason for an effort to make it more convenient for you.

If you remember, in 1945, I got an authorization to rebuild the President's offices on a permanent basis as they were meant to be built in the first place. And in those plans was a room especially for the purpose of holding press conferences. That room was equipped with radio equipment, and with a place to take pictures and everything else that would be for the convenience of the press and the news services.

When we moved the shovels in there to go to work on the program, I think some discussion came about in a press conference about a cafeteria, and the Congress revoked the appropriation.

Now this is the next best thing that I can think of to do to make it more convenient for you, and it certainly is more convenient for me. I can see every one of you, and when you stand up I can hear what you have to say, and I hope you can hear me equally well. And it is, of course, for your convenience that I wanted to make an experiment of this kind.

I think, when we get used to it, that we may find it is necessary for me to stand down there in the middle so we can hear better, in which case that is what we will do.

But I want to make this thing in such a manner that everybody will understand the questions and the answers, and get them fully. And I don't want to head off anybody's prerogatives as a member of the White House Correspondents' Association, or shut off any ability to break a leg getting

to the phone if it is necessary. [*Laughter*] I don't think that will be necessary today. That is the only reason for the thing, and it seems to me that when we get used to the situation, and have found the flaws and corrected them, I think you are all going to like it.

You know, everybody is opposed to change. We are all more or less fundamentally a little conservative about any improvement in anything with which we are familiar and which we have been doing over a period of years. You are no different from anybody else.

But I believe in moving forward. That is what I am always trying to do.

[15.] Q. You don't believe in too much change in certain directions, like the elections next fall, though?

THE PRESIDENT. Well now, that is a matter that the voters have to settle, and I am going to try and convince them that they have the best they can get. [*More laughter*]

[16.] Q. Mr. President, do you plan to honor Baltimore by dedicating its international airport this summer?

THE PRESIDENT. Your Governor and the mayor of Baltimore talked to me on that subject, and we are trying our best to arrange so that I can go. I want to go. If I go—of course, I can't make firm commitments this far in advance, and you understand that we have got a long, nonpolitical appearance in the next 2 weeks, and my desk may pile up so high I may not be able to make it, but I want to try to get there. I would like to come.

[17.] Q. You discussed with Senator Bridges a new approach to—on bipartisan foreign policy—bringing in Republican leaders. Could you tell us how that would work? Would Democrats be present?

THE PRESIDENT. Oh, certainly. I had a conversation on that very subject with Senator Connally and the Secretary of State this

morning, and issued a statement on the subject which covers it fully.¹¹ It is the program that was inaugurated by Cordell Hull—simply trying to carry it on.

You know, changes take place in the Government of the United States that are continuous and sometimes the successors to the people who inaugurate a plan are not entirely familiar with it. I think that is all the difficulty there is in connection with the bipartisan foreign policy. I am continuing with it just as it was started by Cordell Hull.

[18.] Q. This has been a magnificent press conference, and I think what I say will be agreed to by all members of the press here present. Will you now just give us a few words to sum up your whole attitude towards this press conference?

THE PRESIDENT. Well, I am highly pleased myself. [*Laughter*]

Q. Then we will all go home. [*Laughter*]

¹¹ See Item 96.

THE PRESIDENT. We will all go home. The reason I am highly pleased is because I am going to be able to call all of you by your first names, as I did the first row over there in the other building. And I think maybe we will consider putting this desk or table down in the middle there, facing the chairs on all four sides, so that everybody will have a chance, and I think probably the acoustics will be better from there than it is from here. That balcony back there may make it harder to hear for those in the back. But I would like to try this thing out to its logical conclusion; and then if you all feel like you want to go back to the old conservative way of doing business, we will consider it. [*Laughter*]

Reporter: Thank your, Mr. President.

NOTE: President Truman's two hundred and twenty-third news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 3:55 p.m. on Thursday, April 27, 1950.

98 Letter to Joseph C. Grew and General Lucius D. Clay of the National Committee for a Free Europe. May 1, 1950

Dear _____:

Your telegram of April twenty-sixth, advising me that the National Committee for a Free Europe is launching a nationwide crusade for freedom, meets with my heartiest approval. I hope that all Americans will join with you in dedicating themselves to this critical struggle for men's minds. I am deeply gratified by your prompt response to my appeal of April twentieth, in which I emphasized the important role of private groups and organizations in this great endeavor.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters sent to the Honorable Joseph C. Grew and General Lucius D. Clay, National Committee for a Free Europe, 301 Empire State Building, New York, N.Y.

Following is the text of the telegram to the President from Mr. Grew and General Clay, released by the White House along with the President's reply:

The President
The White House

In your speech of April 20 you urged private initiative in expressing the voice of freedom. The National Committee for a Free Europe was organized for this purpose, and particularly to help those who love freedom and, as a result, have been exiled to continue to fight for the restoration of freedom in their countries. We believe that the American people are ready for a crusade for freedom which will not only support the voices of those from behind the Iron Curtain who have lost freedom and

home but will augment their voices with an overwhelming expression from free people in this country and everywhere of their faith and confidence that there will yet be a free world. We recognize the additional responsibility which has been thrust upon us by your challenging words, and we want to assure you that we are proceeding immediately with every resource at our disposal to organize in this country a crusade for freedom which will be

a genuine expression of the will of the American people and which, through Radio Free Europe and other facilities, will be carried throughout the world. We have every confidence that the American people will join enthusiastically in this crusade to preserve their heritage, and thus respond fully and promptly to your expression of faith.

JOSEPH C. GREW
LUCIUS D. CLAY

99 Special Message to the Senate Transmitting Treaty With Canada Concerning Uses of the Waters of the Niagara River. May 2, 1950

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty between the United States of America and Canada concerning uses of the waters of the Niagara River, signed at Washington February 27, 1950, together with a report of the Secretary of State.

This treaty is necessary in order to make definite and permanent allocations of Niagara River water for domestic, scenic, navigation and power purposes. At present these allocations are governed by an obsolete and inadequate set of international agreements.

The new treaty is designed to preserve and enhance the scenic beauty of Niagara Falls and to prescribe how much water, consistent with this purpose, may be diverted for power purposes in the two countries.

Today the beauty of the Falls—particularly of the Horseshoe Falls on the Canadian side—is impaired by uneven distribution of the waters over the crest, and concentrated flows are accelerating erosion. The treaty makes positive provision to correct this situation by providing for the construction of works designed to spread the waters over the Falls in an unbroken crestline and reduce the concentrated flows over parts of the crest.

The treaty reserves the necessary amounts of water for the scenic beauty of the Falls,

as well as for domestic and sanitary purposes and for navigation, and provides that the remaining water shall be available for power and shall be divided equally between the United States and Canada.

The flow of water between Lake Erie and Lake Ontario is the greatest potential source of hydroelectric power at one location on this continent. For many years, some of this water has been used to produce hydroelectric power. The International Boundary Waters Treaty, signed January 11, 1909, authorized some diversion for power purposes, and exchanges of notes between the United States and Canada in 1941 and 1948 provided for additional temporary diversions to meet emergency needs. In all, some 82,000 cubic feet of water per second has been authorized to be diverted for power purposes, of which 56,000 cubic feet is on a permanent basis, and some 1,290,000 kilowatts of power capacity have been installed on both sides of the border.

For some time, it has been evident that much more hydroelectric power can be produced from the Niagara River without detriment to navigation or to the scenic beauty of Niagara Falls. In September, 1949, the staff of the Federal Power Commission reported that by using the water which can properly be made available for power, through modern, efficient generating facili-

ties, some 1,250,000 kilowatts of net additional power capacity can be developed in the United States. The Federal Power Commission staff report did not, of course, cover in detail the additional capacity which might be added on the Canadian side, where more water is already being used than in the United States. It is evident, however, that several hundred thousand kilowatts of additional power can also be made available in Canada.

Thus, the new treaty will permit the development of substantial amounts of low cost power, in an area of urgent need, without detriment to the scenic beauty of the Falls. I believe it is a fair and wise treaty, which protects all legitimate interests, and I recommend its approval by the Senate.

It is clear that the additional power to be produced from the Niagara River should be considered in relation to other sources of hydroelectric power in the northeastern United States, particularly the St. Lawrence seaway and power project which is in the same watershed.

The St. Lawrence project is urgently needed, of course, not only as a source of additional power, but equally as an additional avenue of transportation. Considered from the power point of view alone, however, both the Niagara and St. Lawrence sources are badly needed. The national security and the economic growth of this part of the country require that additional sources of low cost power should be rapidly developed. The staff of the Federal Power Commission found that the need for power in the northeastern part of the country is so great that the additional power from the Niagara River, together with that to be made available from the St. Lawrence seaway and power project, can all be used in New York

and adjacent States as soon as the necessary works can be constructed.

When the Niagara treaty has been ratified, the question will naturally arise as to how additional facilities shall be developed to achieve the best use of water to be diverted for power purposes. My own views on this question are a matter of public record; I believe that the additional power facilities should be publicly constructed, in order that the benefits of the hydroelectric power produced there can be passed on to the people at the lowest possible cost to them.

This is a question, however, which is not determined by the treaty itself. It is a question which we in the United States must settle under our own procedures and laws. It would not be appropriate either for this country or for Canada to require that an international agreement between them contain the solution of what is entirely a domestic problem. All this treaty does is to make additional water legally available for power purposes in each of the two countries. This is a step which must be taken in the interest of the United States. It is one which should be left separate from the steps which must be taken in this country in order to convert this water into additional power.

Accordingly, I urge the Senate to consider this treaty promptly, in order that this hydroelectric power, badly needed in the United States and Canada, can be made available at the earliest possible time.

HARRY S. TRUMAN

NOTE: The treaty was favorably considered by the Senate on August 9, 1950, and after ratification entered into force on October 10, 1950. It was proclaimed by the President on October 30, 1950.

The text of the treaty is printed in the *United States Treaties and Other International Agreements* (1 UST 694).

100 Special Message to the Congress Transmitting First Report
of the War Claims Commission. May 3, 1950

To the Congress of the United States:

Pursuant to the provisions of Section 8 of the War Claims Act of 1948, I transmit herewith the report of the War Claims Commission required by that Section. In the absence of a thorough review by interested departments and agencies, the report should be considered as representing only the views of the War Claims Commission and not my own views or those of the Executive Branch as a whole.

The intent of Section 8 of the War Claims Act was clearly to provide for a thorough study and evaluation of all of the many types of claims arising from World War II so that legislation dealing with the war claims problem could be considered as a whole rather than approached on a piecemeal basis.

However, as the Commission points out in the opening paragraphs of its report, it has not had sufficient time to make the kind of study intended. While making certain specific legislative recommendations, the Commission was unable to be equally specific in other areas. Thus, Congress is still not provided with a comprehensive analysis of the total war claims problem which is needed in order to make intelligent decisions in regard to individual types of claims.

Such an analysis cannot be completed by the Commission without several more months of intensive study.

Under these circumstances, I recommend that legislation dealing with additional types of claims be limited at this session of Congress to that which may be necessary to enable the Commission to develop comprehensive recommendations as to what claims should be authorized in legislation and what the standards of eligibility should be. These recommendations should be submitted to me in time for full consideration by other interested departments and agencies and preparation of a coordinated set of recommendations from the Executive Branch to the Congress early in the next session of the Congress.

In the meantime, the Commission will, of course, proceed to adjudicate and pay those claims which have already been authorized by the Congress in the War Claims Act of 1948.

HARRY S. TRUMAN

NOTE: The report of the War Claims Commission is published in House Document 580 (81st Cong., 2d sess.).

The War Claims Act of 1948 was signed by President Truman on July 3, 1948 (62 Stat. 1240).

101 Message to the United States Technical Conference on
Air Pollution. May 3, 1950

I HAVE asked that you come together today for a singularly important purpose. There is an urgent need to bring to bear on the problem of air pollution all the scientific knowledge at the command of industry, government, and scientific institutions.

With the increasing industrialization of

the United States, contamination of the air around us has become a serious problem, affecting all segments of our population. Air contaminants exact a heavy toll. They destroy growing crops, damage valuable property, and blight our cities and the countryside. In exceptional circumstances, such

as those at Donora, Pa., in 1948, they even shorten human life.

The health hazards arising from air pollution, as shown by the Donora disaster, are especially important. We need to find out all we can about the relationship between air contaminants and illness.

It is my hope that the exchange of specialized information which takes place at the United States Technical Conference on Air Pollution will contribute toward prompt initiation of corrective measures.

Since the problem of controlling atmospheric contaminants is primarily local in character, I believe that each locality should study its own situation and draft laws adapted to local conditions. Before this can be done, however, standards for evaluation and control of air pollutants need to be established. The Federal Government should

take the leadership in doing this part of the overall research job.

I trust that the recommendations made by this Conference will aid in the shaping of a comprehensive plan for the study and control of atmospheric pollution.

I am most grateful for your participation in this Conference, the progress of which the country is watching with great interest, and I shall look forward to your report.

NOTE: The message was read for the President by Oscar L. Chapman, Secretary of the Interior, at the opening of the conference at 10 a.m. at the Wardman-Park Hotel in Washington.

The United States Technical Conference on Air Pollution was held on May 3, 4, and 5, to consider and discuss the scientific and legal aspects of the various problems of atmospheric contamination. The conference was called by the Interdepartmental Committee on Air Pollution, established as a result of a letter from the President to the heads of the Executive Departments dated December 10, 1949.

102 Remarks of Welcome to the Prime Minister of Pakistan at the Washington National Airport. May 3, 1950

Mr. Prime Minister, Begum Sahiba:

With a deep sense of the historical import of this occasion, and with the greatest personal pleasure, I am happy to welcome you both to the United States. Mrs. Truman and I, and the Americans throughout our country, have been looking forward to your arrival. We are glad you have found it possible to do us the honor of visiting us, and are thankful that you have been granted a safe journey.

The many Americans who have had the privilege of visiting Pakistan are unanimous in their praise of your heart-warming hospitality. I hope that while you are in the United States you will feel as much at home

as Americans do when they visit your great country. It is likewise my sincere hope that in the course of your stay you will find that Americans and Pakistanis have much in common.

Knowing that the number of invitations from Americans wishing to extend hospitality has far exceeded the number which your sojourn in the United States will permit you to accept, I wish at this time to extend a warm and heartfelt welcome on behalf of all the American people.

NOTE: The President spoke at 4:05 p.m. Prime Minister Liaquat Ali Khan and his wife, the Begum Sahiba, had arrived in Washington to begin an extended tour of the United States and Canada.

103 Statement by the President on Foreign Policy Legislation
Following a Meeting With the Chairman of the House
Foreign Affairs Committee. *May 4, 1950*

I ASKED Judge Kee and Secretary Acheson to meet with me this morning in order that I might canvass in a general way the overall situation on foreign policy legislation and at the same time express to Chairman Kee my appreciation for the arduous effort that he and the House Foreign Affairs Committee have been putting forth since the beginning of the session in considering the multitude of foreign policy measures that require the Committee's attention.

The Foreign Affairs Committee has been in almost continuous session since the first of the year and present indications are that there will be no respite from their toil for several more weeks. I thought it appropriate that I let Judge Kee know I am both cognizant and appreciative of the burden that he and his Committee are bearing.

NOTE: Representative John Kee of West Virginia served as Chairman of the House Committee on Foreign Affairs.

104 Exchange of Messages With the President of Chile.
May 4, 1950

[Released May 4, 1950. Dated May 3, 1950]

PLEASE ACCEPT my sincere thanks for the kind message you have sent me upon your departure from New Orleans. It was indeed a great pleasure for me and for Mrs. Truman to welcome you and your lovely wife to the United States, and to share with you in such genial circumstances a demonstration of the traditional friendship of our two peoples devoted as they are to common principles of democratic government.

I am glad that you have enjoyed your visit and congratulate you upon its success.

The kind invitation you have extended to me to visit your beautiful country is deeply appreciated. I should indeed be happy to return your visit if the pressure of business permits me to do so some day in the future.

On behalf of the people of the United States I send you best wishes for health and

happiness and for the welfare of your great nation.

HARRY S. TRUMAN

[His Excellency, Gabriel González Videla, President of the Republic of Chile, Santiago, Chile]

NOTE: The text of the translation of President González Videla's message, dated May 3, follows:

Dear Mr. President:

In departing from this beautiful country, I wish to express to you, Mr. President, my most profound and sincerest thanks for the extremely cordial manner in which I have been attended by every element that constitutes the very heart of this great democracy. I shall cherish with unfading memory the pleasant conversation with you, in whom I found the living symbol of democracy and good neighborliness.

I realize that all the attentions shown me were directed towards the people of Chile, and to the regime of respect for law and of devotion to liberty, which they have created, and earnestly defend as their most precious treasure. In this common attitude of vigilance against the totalitarian menace, and for the strengthening of democratic institutions, destiny and history will find our two nations united. I beg

you, Mr. President, to again accept my sincerest thanks, together with those of my wife and the members of my party; and our respectful compliments to your very worthy wife and charming daughter.

My government and the people of Chile await

with enthusiasm the opportunity to receive you and your family, that we may demonstrate in our own land the affection we feel for the great people of the United States and their exemplary President.

Sincerely,

GABRIEL GONZALEZ VIDELA

105 The President's News Conference of

May 4, 1950

THE PRESIDENT. Please be seated, gentlemen.

[1.] I changed the arrangement around a little bit, and we have set some microphones around all over the place so that everybody can hear. I think this will probably be a more satisfactory arrangement, to have this desk up here from the other corner.

I have no special announcements to make. If you have any questions, I will make an endeavor to answer them.

[2.] Q. Mr. President, do you interpret the defeat of Senator Pepper¹ as a defeat for the Fair Deal or your administration?

THE PRESIDENT. No.

[3.] Q. Mr. President, on Tuesday you sent the Niagara water treaty up to the Senate.² Yesterday, Senator Lehman and Congressman Roosevelt introduced bills for Federal construction but State control and eventual ownership of the project. Do you endorse that plan?

THE PRESIDENT. I haven't gone into the plan, and I don't think we can decide on plans until the treaty is ratified. After that we will go into plans.

[4.] Q. Mr. President, the other night Harold Stassen who is, I think, the president of the University of Pennsylvania, and who I believe once aspired to the office you now hold, said that you were the cleverest

politician and the worst President—
[*Laughter*]

THE PRESIDENT. That's quite a statement. I have no comment on it.

Q. I just wondered if you shared those sentiments?

THE PRESIDENT. Well, let's wait a little further until history is made, and then we will see.

Q. Mr. President, if you are the cleverest politician ever in the White House, do you consider that smart politics to call the President "the worst President"?

THE PRESIDENT. Well, it takes a politician to become President of the United States. I will say *that* you have to have.

[5.] Q. Mr. President, James Roosevelt is intimating in California that he has made peace with the White House and he has had assurance from you that all is forgiven. Is that true?

THE PRESIDENT. I never had any ill feeling toward Jimmie Roosevelt. He supported the ticket in 1948, after it was nominated.
[*Laughter*]

Q. But he didn't support it before it was nominated?

Q. One more question on that subject, if you please, sir. He also is implying that you would like to see him Governor of California?

THE PRESIDENT. I would like to see a Democrat Governor in California.

Q. A Democrat?

¹ Senator Claude Pepper of Florida was defeated in the primary election on May 2 by Representative George A. Smathers.

² See Item 99.

THE PRESIDENT. Yes.

[6.] Q. Mr. President, do you have any comment on Dr. Nourse's³ statement the other day that we are spending too much for armaments?

THE PRESIDENT. No, I have no comment on that. The budget speaks for itself. And the budget has been carefully made up by me on every occasion since I have been President. And it is a good budget, and it is as tight as it could be made.

Q. He made the statement, you might recall, that every time Joe Stalin throws a scare into us, why we pour additional billions into armaments.

THE PRESIDENT. I don't think there is anything to that.

[7.] Q. Mr. President, Senator Tydings said yesterday that it would be remarkable if the United States and Russia did not get into trouble ending in a shooting war.

THE PRESIDENT. I think the Senator is unduly alarmed. I think he is unduly alarmed. I think the situation now is not nearly so bad as it was in the first half of 1946. I think it is improving. Maybe I am an optimist, but I have to be, to be President of the United States.

Q. I didn't get the question, Mr. President. I got your—

THE PRESIDENT. My comment on the statement that Senator Tydings made yesterday, that we were close to a shooting war with Russia.

[8.] Q. Mr. President, Trygve Lie, before he left for Europe the other day, announced that he is now going to Moscow trying to interest Russia's leaders—Stalin, if possible—in a meeting of the heads of states with the Security Council. I wonder if you would care to comment on that, in particular as to whether that question was brought up with you?

³ Edwin G. Nourse, former Chairman of the Council of Economic Advisers.

THE PRESIDENT. Mr. Lie came to see me to pay me a courtesy call, the second call he has made at my office since he has been the Secretary General of the United Nations. He made the statement to me then, at that meeting, that he expected to call on the heads of states and discuss world affairs with all of them. I did not go into detail with him on what he intended to discuss with anybody, and we only discussed the welfare of the world and the hope for peace.

Q. Do you agree with him to a meeting at a time in which we might propose, to bring the heads of states together with the Security Council?

THE PRESIDENT. I have no comment to make on that.

Q. Mr. President, did you give Mr. Lie a message for Moscow, or encourage him in his mission?

THE PRESIDENT. I didn't have anything but just a plain, everyday discussion with Mr. Lie. He was paying me a courtesy call, and we had the usual conversation.

[9.] Q. Mr. President, would you comment on the argument being heard more frequently in the Senate these days, that in view of the prospective size of the deficit we can no longer afford Marshall plan aid if present conditions—

THE PRESIDENT. Isn't that an old argument? Hasn't that been the argument of the "anti's" ever since the Marshall plan was instituted? The reason for the deficit is because the Congress has not given the necessary taxes to carry on the Government of the United States. Since we are fighting the cold war, we have to use every means at our command to do it. The Marshall plan is one of the principal means in fighting that cold war. It will be cheaper than a shooting war would be, as I have said time and time again.

[10.] Q. Mr. President, some observers trying to figure out some of the primary

election results gave me the suggestion that Communists in Government are a factor. I wonder if you could tell us whether—in the White House mail and what you hear from around the country—you find a growing concern among the American people—

THE PRESIDENT. I haven't noticed any particular growing concern. The people have always been uneasy about an organization that believes in the overthrow of the Government of the United States by violence. And I don't think there is any unusual trend in that direction. At least, I haven't heard about it.

[11.] Q. Mr. President, you indicated that you did not think the Florida primary results constituted a repudiation of your program. Would you mind telling us why?

THE PRESIDENT. I think that the Florida primary campaign was a Florida campaign, and certain issues entered into that which have no bearing whatever on the national picture.

[12.] Q. Do you wish to give us any information regarding the present status of the possible credit arrangement affecting Argentina, which is being extensively—

THE PRESIDENT. I have been informed by the various departments of the Government that the Finance Minister of the Argentine Republic is up here negotiating some loans, and things of that sort. They have—the situation has not been put up to me for a decision. I think I should look favorably on it, when it is put up to me.

Q. Favorably?

THE PRESIDENT. Yes.

[13.] Q. Do you plan a greatly increased defense budget for next year; and is that, one, because you cut it too low this year or, two, because of the increasing international emergency?

THE PRESIDENT. The defense budget next year will be smaller than it is this year, and we are continually cutting it by economies.

And we are not alarmed in any sense of the word. We are simply maintaining a defense program that is adequate for the defense of this country.

Q. Excuse me, sir, have you not already increased it this year?

THE PRESIDENT. We have asked for some contract authorizations for the purchase of some planes. The other increase is in—some savings that have already been made. Read the statement of the Secretary of Defense before the committee down there and you will have the whole thing just as it is.

[14.] Q. Mr. President, many of the people in the Pacific Northwest and Alaska feel that they have been written off as expendable in case of war. On your forthcoming trip, will you tour the defenses of the Pacific Northwest—

THE PRESIDENT. I will not. I will not. Their fears are unfounded and unnecessary, I will say that right here.

[15.] Q. Mr. President, would you care to make any comment on ex-President Hoover's proposition to revamp the United Nations by excluding Communist nations? ⁴

THE PRESIDENT. Yes. President Hoover called on me, at my suggestion, to discuss

⁴Speaking before the American Newspaper Publishers Association on April 27 President Hoover stated, "What the world needs today is a definite concrete mobilization of the nations who believe in God against this tide of Red agnosticism.

"It needs a moral mobilization against the hideous ideas of the police state and human slavery. The world needs mobilization against this creeping Red imperialism. The United States needs to know who are with us in the cold war against these practices, and who we can depend on.

"Therefore, I have a proposal to make.

"I suggest that the United Nations should be reorganized without the Communist nations in it. If that is impractical, then a definite new united front should be organized of those peoples who disavow communism, who stand for morals and religion, and who love freedom."

The full text of President Hoover's address is published in the Congressional Record (vol. 96, p. A3148).

the reorganization plans that are now before the Senate and the House. And incidentally his speech of a night or two ago was brought up. Mr. Hoover and I are not in agreement on the United Nations program. I am in full support of the United Nations, both as an individual and as President of the United States. The United Nations is organized for the purpose of discussion of problems with which nations are faced, in the hope of arriving at a peaceful settlement of these problems. It is working, in most instances. We shall continue to support the United Nations as long as I am President of the United States.

I discussed the other section of President Hoover's speech, which was the mobilization of the moral forces of the world against the unmoral forces of the world. I have been trying to do that for 5 years, and we are having some success in that. And I complimented him on that part of his speech. I did not agree with him on his proposed reorganization of the United Nations, and we are perfectly friendly, Mr. Hoover and I are.

[16.] Q. Mr. President, has Senator Taylor of Idaho⁵ been invited to accompany you through Idaho on your May trip?

THE PRESIDENT. He has not. Senator Taylor has been, of course—he is a United States Senator from Idaho. When we go through Idaho, I will be glad to see the Senator from Idaho and shake hands with him, as I will with every other public official. But no one has been specifically invited to ride on the train, except the President's party and a few newspapermen. [*Laughter*]

Q. A few!

[17.] Q. Mr. President, 2 years ago, you recall, on that June trip the local politicoes were not invited to ride on the train, and

⁵ Senator Glen H. Taylor of Idaho, Vice Presidential candidate in 1948 on the Progressive Party ticket.

there was some discussion, notably in Montana as I recall. Will they be invited this time?

THE PRESIDENT. I will see any of them that want to see me, but I am not inviting people to ride on the train out in the States where there are primary fights. I try to be as neutral and fair about it as possible—be as polite to the public officials as I can.

[18.] Q. Mr. President, will you give us your reaction to McCarthy's description of General Marshall as incompetent?

THE PRESIDENT. I have no comment to make on anything McCarthy may say. It isn't worth commenting.

[19.] Q. Mr. Guy George Gabrielson⁶ has announced quite firmly that he is out to capture two Southern States if possible between now and 1952—Virginia especially, and Tennessee—by some coalition of the Dixiecrats and the Republicans. Would you consider the possibility, sir, of coming yourself to Richmond, or to Tennessee, and giving aid and comfort for the administration? [*Laughter*]

THE PRESIDENT. Of course, I would be very glad to come to Richmond or Nashville, Tenn., at any time, under the proper auspices. And I think Gabrielson is rather optimistic in his prognostication. He can't get those two States, I will say that definitely and categorically right now.

Q. Well, the proper auspices will be furnished, sir. [*Laughter*]

[20.] Q. Mr. President, would you comment on the National Science Foundation bill⁷ which is on your desk?

THE PRESIDENT. Well, I haven't finished the analysis of it yet. It seems to be in good order. I am very happy that it passed, and I hope to be able to sign it.

[21.] Q. Mr. President, do you plan to

⁶ Chairman, Republican National Committee.

⁷ See Item 120.

ask for the registration of women for future defense service or industrial service in case of war?

THE PRESIDENT. Well, we will cross that bridge when we get to it. I think that it should be done.

Q. Is it not too late by the time an emergency arises for the registration?

THE PRESIDENT. No emergency is here yet. We are working out plans that are adequate,

and those plans are not for publication.

Q. May I ask if you are studying foreign systems, as in England particularly?

THE PRESIDENT. We are studying foreign systems in every country in the world.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and twenty-fourth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Thursday, May 4, 1950.

106 Special Message to the Congress on the Problems of Small Business. May 5, 1950

To the Congress of the United States:

I wish to bring to the attention of the Congress some major problems of small and independent businesses, and propose several important steps which should be taken to help them solve these problems through their own efforts.

In my January Economic Report, I stressed the need for a constantly expanding economy. Expansion of our economy is required to provide full markets for the rising productive capacity of our factories and farms. It is needed to provide adequate employment opportunities for our growing labor force. It is essential if we are to continue to play a strong part in working for peace.

Measured by any standard of the past, to be sure, we are now enjoying prosperous times. Output is high. Profits are rising. Business is generally optimistic. These are good signs. They reflect the fundamental strength of our economic system; its power to rally from the reversal of last year.

But while our business system is thriving, it is not growing fast enough. While employment remains at a high level, we are not creating all the new jobs necessary each year to absorb the growth in our labor force. Despite the upturn in business, we now have more unemployment than we had a year ago.

The output of our farms and factories and the investment programs of business must not stand still, even at high levels; they must steadily expand.

I am fully aware that there are no simple or easy answers to the problem of assuring a stable and expanding economy. The efforts to improve the functioning of our economic system must be constant and tireless.

I have often stressed the key role that small and independent business must play in providing jobs, in promoting the vigorous competition necessary for the future growth of our economy, and in preserving our economic and political freedoms.

In some industries, it is true, large productive units can make the most effective use of modern technology. The American people value the benefits of mass production. Without prosperous, forward-looking big business, with its sights adjusted to the growing needs of an expanding economy, we cannot have the degree of prosperity that is within our power.

But we should not forget that the task of economic expansion requires using *all* the resources of this great Nation. Of the nearly four million business concerns in our country, more than 90 percent are usually classified as small. These small concerns provide

jobs for over 20 million people—roughly half of private non-farm employment. If we are to have an expanding competitive economy, small business must provide its share of the additional jobs needed. In doing so, it will not only create new payrolls for workers; it will also enlarge markets generally for business and agriculture.

Small businesses serve a necessary function in developing and pioneering new ideas and techniques. Most large efficient firms began as small businesses. They were started by men with big ideas but small capital. Our economy would become soft and slothful were this vitalizing force to be impaired.

The drive to do something new is strongest among those who cannot easily maintain themselves by doing what is already customary. It is strongest among those who have to work hard to hold their own and who feel keenly the urge to grow.

Vigorous small businesses are essential to effective competition. Competition stimulates efficiency. It prods inventive genius. It helps to keep prices at the lowest levels consistent with a fair and adequate return to business, and to maintain consumer buying.

A program to promote expansion of opportunity for small business thus plays a vital role in invigorating competition and encouraging technical progress and economic expansion.

The Government can and should promote conditions under which well-managed small businesses have ample opportunities for growth. This does not mean that anyone who may wish to start a business should be given financial assistance. Neither should the Government guarantee the success of any individual enterprise. Such a policy would rob small business of its basic characteristics of initiative and self-reliance.

The Government's first responsibility to small business is to promote a stable and

prosperous economy. Every successful effort toward general economic stability will specially benefit small business. Last year we observed the striking vulnerability of small business to even a mild business downturn. Sales and profits of small concerns declined much more than those of large corporations. No special program will provide adequate assistance to small business unless we achieve reasonable economic stability.

Another major responsibility of the Government is to prevent monopolistic and unfair trade practices and to curb undesirable concentration of economic power. Our antitrust laws have done much to help smaller business retain its independence. These laws and their enforcement should be improved. Encouragement of small and independent business, however, is one of our strongest weapons against monopoly.

To encourage the growth of small business, specific and positive measures are needed to help overcome two handicaps affecting even the most efficient and vigorous smaller concerns. The first of these handicaps is the cost and difficulty of getting new capital. The second is the cost and difficulty of keeping abreast of new techniques of production and management.

A generation or more ago, local financial institutions and investors ordinarily took care of the capital needs of expanding small businesses. Then as now, the original funds usually came, for the most part, from the owner's personal savings. If the business weathered its initial period of losses, additional money was frequently forthcoming from friends or relatives; or the local banker might well provide substantial financing—almost as a partner—for small ventures with good prospects. With an outlook for further profitable expansion, the small businessman often could obtain long-term capital aid from wealthy individuals or from larger

financial institutions. In this way, the vigorous smaller concern could make use of its opportunities for growth.

With the increased mechanization of industry, the capital needs of small business have greatly increased. Adequate venture capital, however, is no longer available from traditional sources. This is not because there is any shortage of savings. There are ample savings; the problem is to channel them into the hands of small businessmen who need more capital to expand their operations.

Due to our remarkable gains in raising the level of incomes and in improving their distribution, the bulk of personal savings today are made by people of moderate means. They prefer to put their savings into insurance, savings accounts, or Government bonds, or into the purchase of their own homes. Wealthier people, better able to take risks, usually prefer securities of large established concerns. Large firms rarely offer their surplus cash to small businesses, except in exchange for control.

Nor do small businesses fare much better at the hands of the financial institutions through which the bulk of those savings pass. Most commercial banks of necessity grant loans to smaller concerns only if the security is ample and then usually only for relatively short periods. A few of the largest banks whose resources permit adequate diversification have successfully engaged in long-term lending to small business on a large scale. But their facilities are available in relatively few communities and the demand is still largely unfilled.

Insurance companies and investment trusts do engage in long-term and equity financing, but principally in the well-seasoned securities of large corporations.

Floating securities on the open market is virtually out of the question for small or medium-sized businesses.

It is clear, therefore, that our financial institutions are not meeting the expansion needs of small business. This gap should be filled.

In my January Tax Message to the Congress, I proposed some changes in the revenue laws for the benefit of all business and particularly to equalize the opportunity of small business. Additional tax changes of this character are not now feasible and, in any case, could be only a partial solution to the financial problems of small business.

In addition to these financing handicaps, smaller business often has real difficulty in obtaining or developing information on new techniques in production and management. Larger concerns can afford their own research facilities and can employ skilled staffs to advise them on recent developments in purchasing, production, labor relations, financing, accounting, marketing, and other specialized fields. Most small businessmen lack experience in many of these areas, and cannot afford the heavy overhead costs required to hire full-time staffs to assist them.

In the modern economic system the margin between success and failure is often measured by the ability of the businessman to keep step with his competitor in applying new techniques and methods. The small businessman too frequently has to substitute long hours for the latest and most efficient methods. Freedom of enterprise should mean not only the opportunity for every man to go into business for himself—to be his own boss—but also the privilege of ready access to the best information on managerial and production techniques for his business. Competition works most effectively and the interests of the public are best served by assuring the highest possible efficiency in small as well as large operations.

After careful consideration of these problems, I am proposing that the Federal Government take five major steps to reduce the

handicaps under which small business now operates and to broaden the opportunities for further vigorous expansion.

First, to help meet the credit and capital needs of very small business concerns, I propose legislation to provide for the insurance, on a self-sustaining basis, of bank loans up to \$25,000 and repayable within five years. The great bulk of the loans insured under this plan would probably be under \$5,000, but the authority to insure loans should not be limited to that figure.

This insurance would be quite similar to the present Federal insurance of loans for home improvements, which has proved highly successful since its establishment in 1934. Each bank would pass upon loan applications and the loans it approved would be insured against loss, subject only to compliance with Federally-prescribed standards. No prior approval of individual loans by any Government officer would be required. Banks would, however, bear a portion of the risk on each loan, and thus would have a positive inducement to exercise sound judgment in their lending policies.

Thus, local banks, without undue risk or expense, could apply their own funds and knowledge to serve more adequately the financial requirements of small local business concerns. This insurance would be particularly helpful to very small business concerns with good earning prospects which cannot yet effectively use large amounts of long-term capital. An insurance premium would be fixed adequate to cover all probable expenses and losses. Except for the initial appropriations to establish the insurance fund, ultimately repayable to the Treasury, no Federal expenditures would be involved.

Second, to increase the availability of venture capital to small and independent enterprises with somewhat larger financing requirements, I propose that the Federal Government be authorized to promote and

charter national investment companies. These companies would be established and owned by private investors and institutions, but, as in the case of national banks and Federal savings and loan associations, the Federal Government would have the responsibility of enforcing observance of sound financial practices.

The major purpose of these companies would be to provide equity capital and long-term loans for efficiently-managed businesses unable to finance themselves on reasonable terms through the organized securities markets. They should also be authorized to participate, to the fullest extent possible, in the administration of the new program for insuring bank loans to very small business. In addition, they should make managerial aids and technical services available to smaller businesses in general.

These companies would be limited in their financing to small and independent enterprises. Thus, they are designed to fill the most serious remaining gap in the business financial structure. They would pool the savings of individual investors and financial institutions, and provide a channel through which they could be more safely invested in small business ventures. Many such investors and institutions could not properly invest directly in individual small and independent businesses, but they could purchase the securities of the new investment companies. The more substantial resources of these companies would permit them to hire competent staffs and to reduce the risks by investing in a wide range of separate enterprises. Thus the new companies not only would provide a sound outlet for these savings, but also would supply a badly needed source of capital for small business.

Each investment company would work in close cooperation with banks in the region which it serves. It could participate jointly with local banks in financing businesses with

good earnings prospects, in cases where legal loan limits or lending policies prevent the banks from providing all the funds required, or where the business needs more equity capital which banks cannot legally provide. In view of these prospective benefits for the banks, their customers and their communities, I am sure that most progressive bankers will want to take an active part in establishing the investment companies.

This program will represent a pioneer undertaking in this country. In its early years, therefore, our approach will necessarily be experimental. To help launch the program, the Federal Government should provide positive incentives and aids to the new investment companies. Thus, tax provisions should recognize their special character, particularly by permitting them to build up adequate reserves. Also, in order to assure sufficient funds in their early years, the Federal Reserve banks and their member banks should be authorized to invest in the stock of the companies.

Third, to make sure that the Reconstruction Finance Corporation will have adequate authority to take care of the legitimate credit requirements of business when private financing is unavailable—through these two programs or otherwise—I am proposing that its lending powers be broadened in several important respects. The Corporation should be permitted to relax its collateral requirements on loans to small businesses, if management abilities and potential earnings of the borrower afford reasonable expectation of repayment. This amendment will merely give the Corporation the same discretion which many bankers already successfully exercise. The Corporation should also be authorized to increase its participation with private banks on such loans. In addition, I again recommend that the present 10-year maximum maturity on all types of business loans be increased to at least 15 years.

The two new programs which I have already recommended to strengthen the private financial system should materially reduce the need for reliance on RFC. The basic statute of the Corporation now prohibits it from making any loan unless the borrower cannot obtain financing on reasonable terms from private sources. This prohibition should be extended to any financing which is obtainable from the proposed new investment companies.

As the last line of defense, however, the Corporation should be equipped to handle all reasonable demands for credit which private institutions are unable or unwilling to provide. Our experience last year, when a relatively minor down-turn in business was accompanied by a 100 percent increase in applications for RFC loans, illustrates the fundamental importance of not only retaining but strengthening this backstop for our financial structure.

Fourth, to help smaller businesses become more efficient, I propose strengthening and improvement of the technical and managerial aids now provided by the Department of Commerce. Specifically, I recommend that the Secretary of Commerce be authorized to establish a clearing-house to collect, disseminate and exchange scientific, engineering, and managerial information. I also propose that new authority be provided for him to undertake research on technical problems of interest to small business, including developmental work on new products and processes. In these new programs, as well as in existing business and technical programs of the Department of Commerce, the Secretary should be directed to give special emphasis to the requirements of small business.

These proposals would apply in the business field some of the lessons we have learned through our long and successful experience in promoting the use of modern methods in agriculture. Our farmers, though they can-

not individually afford research laboratories, are able through Government assistance to obtain current information and to adopt new techniques. So far as is feasible, we should organize similarly effective services for our smaller business enterprises.

Fifth, to assure the most effective and coordinated direction of our aids to small and independent business, I recommend that, with one exception, general responsibility for each of these new programs be placed in the Secretary of Commerce. In addition, and for the same reason, supervision over the Reconstruction Finance Corporation should be entrusted to the Secretary of Commerce. I expect to submit a Reorganization Plan in the near future to accomplish the RFC transfer.

It is most desirable that we group these functions together under common supervision. This would simplify Government administration. More important, it would make it easier for the small businessman to take advantage of the various types of Federal assistance already available or newly provided.

The Department of Commerce is the agency now charged with major responsibility for promoting the development of American business and industry. It will be able to discharge these responsibilities more effectively if it supervises both financial and non-financial aids to business. The advantages of combining these two types of assistance in the same agency have already been successfully demonstrated in the fields of agriculture and housing. Moreover, by concentrating in the Secretary of Commerce the supervision of the principal services to small business, we can more effectively mobilize the variety of resources available to the Government in meeting these problems.

In the case of the national investment companies, however, it appears appropriate that supervision be placed in the Board of Gov-

ernors of the Federal Reserve System. These are to be private companies. It is essential to integrate their operations with those of other private financial institutions. Moreover, the Federal Reserve Board and the twelve Federal Reserve banks already have the personnel and facilities necessary for the effective supervision and examination of these national investment companies.

At the same time, the success of the national investment company program requires that it be tied in closely with the programs of assistance to small business under the supervision of the Secretary of Commerce. Therefore, the Secretary of Commerce should be authorized to assist in the promotion of these companies and to advise the Federal Reserve Board on how the investment companies can best contribute to accomplishing the objectives of the Government's small business program.

To simplify the Government's financial and nonfinancial aids to business, I repeat my previous recommendation that the authority of the Federal Reserve banks to make industrial loans to business be terminated. This program has long been largely inactive. The funds made available for it, amounting to \$139 million, would be returned to the Treasury.

To put this five-point program into effect will cost the Federal Government very little. It will yield the Nation great returns. It will do so by lessening the obstacles that impede the progress of small and independent business and by providing incentives which encourage its expansion. It will promote the broad opportunity and vigorous competition which are the basis of our system of free enterprise. Thus, while retaining in the hands of private enterprise full responsibility for ownership and management, it will help to stimulate the flow of investment necessary for our continued prosperity.

I, therefore, urge the enactment of legisla-

tion to carry out these recommendations before the adjournment of the 81st Congress.

HARRY S. TRUMAN

NOTE: For the President's message transmitting the reorganization plan transferring the Reconstruction Finance Corporation to the Department of Commerce, see Item 114.

107 Letter to the Chairman, Senate Committee on Interior and Insular Affairs, on Statehood for Alaska and Hawaii. May 6, 1950

[Released May 6, 1950. Dated May 5, 1950]

My dear Senator O'Mahoney:

I am highly gratified by the thorough and objective consideration which your committee is giving to H.R. 331 and H.R. 49, bills which would enable the territories of Alaska and Hawaii to take their rightful place as members of the Union. As you know, I have long supported the objectives of these important bills which carry out the pledges made to the people of the two territories. I sincerely hope that the Congress, during its present session, will enact legislation granting statehood to Alaska and Hawaii. The need is more urgent today than ever before. By such action, we will not only promote the welfare and development of the two territories, but also greatly strengthen the security of our nation as a whole.

It should not be forgotten that most of our present states achieved statehood at a relatively early period of their development. The stimulus of being admitted as full partners in the Union, and the challenge of managing their own affairs were among the most significant factors contributing to their growth and progress. Very few of our existing states, at the time of their admission to the Union, possessed potential resources, both human and natural, superior to those of Alaska and Hawaii. I am confident that Alaska and Hawaii, like our present states, will grow with statehood and because of statehood.

There is no necessity for me to repeat at this time the arguments for statehood. The many qualified witnesses who have appeared before your committee have, I am sure, presented convincing evidence both as to the need for and the tangible benefits to be derived from statehood. There is, however, one objection made by opponents of H.R. 331 and H.R. 49 which I believe requires further discussion because it goes beyond the question of statehood and raises a fundamental constitutional issue. I am referring to the objection that Alaska and Hawaii as states would be entitled to representation in the Senate of the United States disproportionate to their population.

This argument is not only entirely without merit, but also directly attacks a basic tenet of the constitutional system under which this nation has grown and prospered. Without the provision for equal representation in the Senate of all states, both great and small, regardless of population, there probably would have been no United States. This was one of the great compromises which the *Federalist* says was a result "not of theory, but of a spirit of amity, and that mutual deference and concession which the peculiarity of our political situation rendered indispensable." There is no justification for denying statehood to Alaska and Hawaii on the basis of an issue which was resolved by the Constitutional Convention in 1787.

America justly takes pride in its record of fulfilling to the letter its obligations to foreign nations. We should be no less scrupulous in carrying out the promises made to our own citizens in Alaska and Hawaii. The case for statehood rests on both legal and moral grounds.

These are troubled times. I know of few better ways in which we can demonstrate to

the world our deep faith in democracy and the principles of self-government than by admitting Alaska and Hawaii to the Union as the forty-ninth and fiftieth states.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Joseph C. O'Mahoney, Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington 25, D.C.]

108 Statement by the President Upon Signing Bill Establishing a Uniform Code of Military Justice. *May 6, 1950*

[Released May 6, 1950. Dated May 5, 1950]

I HAVE today approved H.R. 4080 which establishes a Uniform Code of Military Justice equally applicable to all of the Armed Forces of the United States in time of war and peace.

It is particularly appropriate that this Uniform Code of Military Justice should be enacted into law on the eve of the first Armed Forces Day. The Code is one of the outstanding examples of unification in the Armed Forces and is tangible evidence of the achievements possible by the coordinated teamwork of the Army, the Navy, the

Air Force, the Marine Corps, and the Coast Guard.

Under the provisions of this uniform and modern Code, the democratic ideal of equality before the law is further advanced.

It has given me pleasure, therefore, to sign H.R. 4080. I compliment the members of the Department of Defense committee who drafted the bill and the Members of the Congress who contributed so much to its enactment.

NOTE: As enacted, H.R. 4080 is Public Law 506, 81st Congress (64 Stat. 107).

109 Statement by the President on the Death of President Victor Román y Reyes of Nicaragua. *May 7, 1950*

IT IS with profound regret that I have learned of the death in Philadelphia of His Excellency Dr. Victor Román y Reyes, President of Nicaragua. President Román y Reyes has been a sincere friend of the United

States, and we share with the people of Nicaragua a feeling of great sadness at his passing.

NOTE: President Román y Reyes was in the United States for medical treatment at the time of his death on May 7.

110 Rear Platform and Other Informal Remarks in Illinois,
Iowa, and Nebraska. May 8, 1950

[1.] GALESBURG, ILLINOIS (Rear platform, 8:50 a.m.)

Mr. Chairman:

It certainly is good to see all of you. I appreciate your coming out this early in the morning to see me. I am more than happy to be back in Illinois once more. They tell me that Knox College in Galesburg is famous for some very great people. I have been told that Carl Sandburg and Eugene Field were alumni of Knox College. My wife had a great uncle who was a graduate of that college and one of our great circuit judges in Jackson County, Mo.

I am also told that Adlai Stevenson's family came from this town, and that reminds me of something—my first "sashay" into politics was in 1892 and I wore a white cap to school, and across the top of it it said "Cleveland and Stevenson." That was Adlai's grandfather, that Stevenson. Well, some big Republican boys took my cap away from me and tore it up, and the Republican boys have been trying to do that to me ever since!

I am starting out on this trip which will take me almost to the Pacific coast. I am making the trip so I can give a report to the American people on some of the major problems which this country faces today. I wanted to come out here to find out what you think about them, and to let you know what I am thinking about. There is nothing mysterious about it. I am not running for office. I am merely making a report to the citizens of the United States on what has happened since you honored me by making me President of the United States, and I have a perfect right to do that, and that is my privilege and my duty.

Our democracy is strong because we have always had this kind of free and open exchange of ideas between our citizens and their elected officials. One of the great Lincoln-Douglas debates was held right here in Galesburg.

Democracy was strengthened in those days by the Lincoln-Douglas debates on the great problems which confronted the country at that time. We can make our country stronger today by the same kind of discussion.

I like discussion. I like discussion of the issues, and I like to confine the discussion to the issues, not the side issues and foolishness.

Today, May 8th, is the fifth anniversary of V-E Day. Instead of having the kind of world we hoped we would get after the war, we find that the kind of freedom and democracy we enjoy here in the United States is being threatened all over the world. It is being threatened by Soviet communism, which is trying to wipe out democratic countries everywhere.

The kind of decisions you and I make in the next few months and years will determine what kind of a world we are going to live in, and whether or not there will be a third world war.

We face a clear-cut choice between two courses of action. We can either isolate ourselves from the rest of the world, or we can take constructive steps to build lasting world peace. And that is just exactly what I am trying to do.

Now, isolationism would be a cheap policy to follow. It would be easy and cheap to stop spending money on our Army and Navy and Air Force, and to stop sending supplies to other countries who survived the great war. We can stop these things today.

Isolationism would be mighty cheap for today and tomorrow, and maybe next week. You remember how cheap isolationism was in the 1920's. Taxes were cut, at least for the big fellows, but look at the terrible price we have paid for isolationism in the Second World War.

Today, exactly the same issue faces us. There are still some men who keep telling you that we can economize by following an isolationist policy. These men can't see beyond the end of their noses. They don't see that isolationism would let the rest of the world be swallowed up by communism. That would certainly bring on a new world war, just as it did in 1939. We reneged on our allies in 1921, just as Russia is trying to do today—and doing it with the help of our own isolationists.

I don't think I need tell you that another world war would not be fought and carried on on foreign soil, as the last two have been. The terrible weapons now available could be used to tear up our cities by the roots.

Some people get hysterical in the face of problems like these. I believe that we should meet this challenge calmly. We should do everything in our power to support the United Nations and to help the free nations abroad who are putting up such a good fight against communism. And we ourselves must stay strong.

I have often said, "Our goal must be not peace in our time, but peace for all time."

We can have peace, but it takes hard work, and it will cost a great deal of money. We are now spending 71 percent of our budget to pay the cost of past wars, and to prevent a future war. It would be easy enough to cut the expenses of our Armed Forces and to cut off help to European countries that are trying to survive and overcome communism. That would be easy enough to do, and we would have a balanced budget. But in the

long run we would pay the fiddler. This is the financial load which is causing a deficit, trying to prevent a third world war. But I want to say to you from my heart that this cost is nothing compared to the cost of losing the peace.

In 1945 the budget of the United States was \$103 billion. When Japan folded up in September, I cut off \$65 billion of that budget and canceled the contracts so that that money would not have to be spent. I have been asking the country to expend over a 4-year period about \$20 billion to prevent another world war. Now, which is cheaper, \$20 billion over 4 years, or \$100 billion a year to fight another war? I don't think I need to argue that question with you.

I am not afraid of losing the peace, because I believe that the people of Illinois and others like you all over the country understand the situation in the world today. I think you know that international cooperation is the key to world peace. We had experience with not cooperating in 1920 and it brought on another war. We must cooperate to prevent another war.

I think you know that we will never have to worry about the strength of the United States as long as we keep moving forward with measures to provide prosperity and a better life for our fellow citizens.

A fair deal for more people in agriculture, in industry, in housing, health, and education will strengthen this country and make the road to world peace less difficult.

I can't tell you how pleasant it has been to be with you this morning. I had no idea that there were 10 acres of people in Galesburg. This is, you know, the 5th anniversary of V-E Day. Also, incidentally, it marks the 66th anniversary of the President of the United States. I appreciate this delegation. It makes this a very happy birthday for me.

Thank you very much.

[2.] BURLINGTON, IOWA (Rear platform, 9:56 a.m.)

Thank you very much, Mr. Mayor. I don't think I have ever had such a happy birthday.

It is good to be back in Iowa again, I assure you. It always makes me feel at home in this great corn State. You see, I live in a corn State to the south of you, and I never have admitted that Iowa grows taller corn, but sometimes I have to.

I am making a trip across the country so that I can see firsthand how the people are getting along and what problems they are facing. I also want to talk about the problems that all of us are facing together. I want to tell you the truth about public affairs. There is no other way for me to get the truth to the people but to come out and tell it to you. That has been demonstrated 2 years ago very well, I think. When the people know the truth, when the people can weigh the facts, I have no qualms about the decision they will make. It's the democratic way for people to argue the issues—the only way you can understand what I am trying to do.

The only way you can understand whether I have carried out the platform on which I was elected in 1948 is for me to make a report to you, and that is what I am doing, and I have a perfect right to do that. It is not political, it is what any head of an organization does once a year. I didn't get a chance to do it last year, I had too much to do, but I am with you this time to tell you the facts, and when you have the facts, I am perfectly happy on what you will do with them.

Our democracy works because there is always a free and open discussion between the citizens of this country and their elected representatives in town halls, State capitals, and in Washington, D.C. Sometimes, the discussions in Washington, D.C., are not

exactly to the point, but they still have discussions.

This is what makes this country different from a dictatorship. Our Government works for the people. It is a Government of and by and for the people, and its only reason for existence is to help build a more secure and a better life for its citizens.

What we are trying to do now is to make sure that our economy continues to grow and prosper, so that everybody in the country can have a better living standard. We have a higher living standard in this country now than we have ever had before, the highest in the history of the world. The way for us to keep these gains and do even better in the future is to see to it that farmers and businessmen and working men and women move forward together. Everybody ought to have a fair and square chance at the economic prosperity of this country. That's all I'm working for.

Here in Burlington, I need hardly tell you people that the people in town are prosperous only when the farmers are well off. Certainly the farmers have learned that they have good markets only when wages are high enough for the people in town to buy what the farmers grow.

I am working for a farm program that will give the farmers a good income. I am going to make a speech later in the day, at Lincoln, Nebr., when I will tell exactly what kind of farm laws we need on the books so that farmers will always have good incomes, and will always be raising the kind of crops we need, rather than raising huge unusable surpluses that the Government has to buy, and sometimes has to destroy.

Of course, I am just as interested in working for the welfare of people in cities and towns as I am for those on the farms, because you can't have one section, or one sector, of a population prosperous and have the others in misery. They must all belong

together and share the good things of life.

We have passed a housing law last year that will mean nearly a million new housing units all over the country in the next 5 years, for families who otherwise couldn't afford decent houses.

That is the kind of progressive, forward-looking measure I am working for in the fields of social security, health, and education. Many States need new schools and more teachers. The only way our boys and girls can get the kind of education they need is for the Federal Government to help the States improve their school systems.

A lot of people are expecting me to talk about what the 81st Congress has done on these matters, just as I told the country 2 years ago the truth about the 80th Congress.

I will say one thing, and say it emphatically, the 81st Congress has done a lot better than the 80th ever did, and it is going to do a lot more than it has done up to date.

The record of the 81st Congress is not complete yet, but when it finally finishes its work and goes home, then I will be ready to come back and give you the full details, and let the chips fall where they may. The country is entitled to know the facts, and that is what I am out here for now, is to tell you the facts in language that you and I speak, and that you can understand. And I believe that when I get through, you will understand just exactly what I am trying to do. And when the 81st Congress quits, I think it is going to have a good record. I am going to bet on it, anyway.

Thank you very much. I appreciate all these happy birthday greetings.

[3.] OTTUMWA, IOWA (Speaker's platform near train, 11:25 a.m.)

Thank you very much—thank you very much. I can't tell you how very much I appreciate this warm and wonderful recep-

tion. It is one of the finest gatherings I have ever seen in a long time. Not since Dexter, Iowa, have I seen such a gathering. In 1948 that was, you remember. There were 10 acres of people at that meeting, and I was asked how I measure people, and I said you can put 9,600 people on an acre, and if you multiply that by ten that's 96,000 people. I don't know how many there are here.

I have been reliably informed that there is a young man, working for the opposition, who has been following me in a plane to look the situation over. Now that young man is perfectly welcome to save himself a little money, and if he will buy a ticket and get on the train, I will take him along. I sincerely hope that he has been as highly pleased with the reception I have had this morning and with the crowds as I have been, and I hope he will make that report to the opposition so that they can govern themselves accordingly.

This morning I want to talk to you briefly about your future, and the future of the rest of the people all over the country. That is why I am here, to tell you the truth about what your Government is doing. It is a most difficult thing for me to get the facts to the people, but I think I have demonstrated on another trip—and on that trip I was followed also—I demonstrated to the people at that time that when they know the truth and the facts, you can't fool them.

These are troubled times in the world. All of us know that the only way we can get a peaceful world is by keeping the United States strong and prosperous. We can have such strength and prosperity only if the farmers, the businessmen and the workers are well off. You know, right here in Ottumwa that your meatpacking house and all other businesses in town depend on the incomes of the farmers for miles around. You know, too, that your businessmen and your farmers and your workers have a mutual interest in

the prosperity of all of our economy.

Well, that is true of the whole country, too, because this country can't remain prosperous unless you in this area prosper. We must make sure that Iowa farmers never again have to burn their corn for fuel like they did 20 years ago. I intend to keep on working to see that farmers, and workers, and businessmen get a fair deal, and that's all anybody can ask for.

I am going to make a speech in Lincoln today—in Lincoln, Nebr.—and I am going to tell you what kind of farm program we need, and I am going to make it easy and simple for everybody to understand, and it won't be complicated or garbled. It will be just exactly what we need. I am going to discuss those problems specifically, without dodging the issues, as many people have dodged them in the past.

You hear today a lot of wild charges that anything new which we propose for the farmer is "socialism" and "regimentation." That's an old cry that has been going on for a long time, in fact ever since 1887.

That reminds me of a story about a man from my home State who was in Congress back in the eighties. His name was William Henry Hatch, and his name was attached to many laws which benefit the farmer.

Congressman Hatch was the author of a law in 1887 which granted \$15,000 a year for each State to set up agricultural experiment stations in connection with its agricultural college. There were a lot of folks who raised Cain when that bill got to the Senate. You would have thought that the end of the world was just around the corner. One Senator from the great State of Kansas, said that this proposal was cooked up in response to the "clamor of a certain select class of self-constituted reformers."

This Senator went on to say, and these are his exact words—now this was in 1887—

sounds like an argument in the Senate now: "It illustrates a tendency of this class of agitators to demand the continued interposition of the National Government in State and local and domestic affairs, and with the result, as I believe, of absolutely destroying the independence and freedom of individual conduct, and subverting the theory on which the government is based. . . ." Now that is an exact quotation from the Senator from Kansas, who is also famous as a poet.

Now that sounds just like the attacks which are being made today against any progressive measure. But it is even more interesting because a few miles north of here, at Ames, the Iowa State Agricultural College has been using the Hatch Act funds since 1887. It is still using them today, and there has been no limitation of anybody's freedom in Iowa as a result that I know of.

I think that our system of agricultural research and education provides real strength for our democracy. Your own Iowa State College at Ames is an outstanding part of this great system. We have the same situation down in Missouri, and even in Kansas, where that Senator made that statement.

The agricultural colleges in the other States are doing likewise. Each one is a part of this great system of research and education that extends all the way from the Federal Government to the individual on the farm.

Whenever you hear people attacking agricultural education, or other progressive measures that will benefit the farmer and the worker and the rest of the people, just remember that agricultural education has been a part of our democratic way of life since the days of Thomas Jefferson, and I hope it always will be in the future.

Now, I want you people to distinctly understand that I am here reporting to you as the President of the United States, giving

you an outline of things just as they are in Washington, and just as I would like to have them to be in Washington. I have a perfect right to do that. That is part of my job, to let you know just exactly what the facts are; and when I tell them to you I think you can understand that they are not garbled by somebody who wants to give a wrong impression. You understood them in 1948, and you are going to understand them in 1950, and when we get through, when I report to you the next time, you are going to be happy and satisfied with the results.

I can't tell you how very much I appreciate this magnificent reception this morning. It is grand. I will remember it all my life.

Thank you very much.

[4.] CRESTON, IOWA (Rear platform, 1:45 p.m.)

Thank you very much. I appreciate the fact that you are willing to stand around in the rain like this for a chance to get a look at and to hear your President. It certainly is a compliment to me, and I appreciate it more than I can tell you.

You know, this city is almost due north of Independence, Mo. They are in the same kind of bluegrass country down there that you are here. You people are fortunate in having some of the best growing soil in the whole Middle West. I have been glad to see that you know how to take care of that soil, and that you know the importance of the farm problems with which we are faced today.

Two of the biggest problems in many parts of the country are electric power, and an adequate water supply. I was glad to get a report a few days ago from the Department of Agriculture that shows that you are well on the way to solving your electric and water problems.

This report—I have got it right here, I

have to keep it chained down to keep it from blowing away—tells how the Rural Electrification Administration has joined with the city and the State of Iowa in a project to build a new dam and reservoir. They ought to bring tremendous benefits to this good city of Creston. They will mean more power, a better water supply, and a better life for this entire area.

You know, there are all sorts of places in the United States that are having water and power troubles. I appointed a commission here not long ago to look into the whole situation from Maine to California and from the State of Washington to Florida. I think that is the way in which the REA is working together with Creston and the State of Iowa in this project. It is a sample of the way in which we are joining in cooperative effort all over the country. Some people tell you that the Federal Government in Washington is trying to take over everything. That kind of talk is just plain nonsense. It is just not true.

We are all partners together. We believe that we can solve our problems by the kind of city, State and Federal cooperation which is helping you build this new dam and reservoir in Creston.

If we could get the same kind of cooperation with all the rest of the world that we have here, the problem of guaranteeing world peace would be a simple one.

This cooperative spirit is the very foundation of the fair deal program. By broadening the opportunities for a good education, health, social security, and a high standard of living, we are helping each other and at the same time keeping the United States strong and prosperous.

You don't know how glad I am for the opportunity to stop here and how much I appreciate your willingness to stand around in the rain to listen to what I have to say. It is a compliment to me, and it is a compliment

to you, because you are interested in public affairs. I am here to report to you, to tell you what the problems are with which this great Nation is faced, and to give you some idea of how I am trying to solve them as your public servant.

Again, I want to thank you very much. I have had a most cordial welcome all the way across the great State of Iowa. I don't think I ever had a happier birthday than this one. Thank you very much.

[5.] PACIFIC JUNCTION, IOWA (Rear platform, 3:15 p.m.)

Thank you very much. You know, I have had a grand trip through Iowa today. In some places the weather has not been all that you would expect for a meeting of this sort, but the people turned out just the same, and that is a compliment, a high compliment, when people come out in inclement weather, although I understand you wanted the rain anyway, so maybe you wanted the rain and not the President—I don't know.

I have been through some great country this morning. It is fine to see Iowa looking so prosperous. I remember very clearly what conditions were like in Iowa just about 20 years ago. We were just as badly off down in Missouri. Corn was selling at 30 cents a bushel, and the farmer was scraping the bottom of the barrel. Farm mortgages were being foreclosed. I can remember it very distinctly. I remember one Iowa judge almost got hanged for foreclosing a farm up here.

Just think of the difference today, not a single bank failure in a year, here in the State of Iowa or anywhere else in the United States. That is because we have had a wonderful prosperity all over the country in the past few years. Business has been booming. Factories have been working at peak peace-

time rates. The farm income has been high, too. Of course, it has not been as high as it was during the war, and it fell a good deal last year, because we do not yet have the right kind of farm legislation on the books.

One reason why no banks have been failing these days is because people now have complete confidence in them. They know that their deposits are protected by the Federal Deposit Insurance Corporation. We take the FDIC for granted today.

But when President Roosevelt first proposed it back in 1933, a lot of reactionaries set up a terrible howl. One prominent Governor said—and he was a neighbor of yours: "The guarantee of bank deposits will completely destroy the entire banking system of the nation." Think of that—think of that!

Well, the prediction was nonsense. So were all the other predictions about the other great progressive measures of the thirties and forties. And so are all of the predictions about doom and disaster which some people are trotting out today.

The same old scare words about improvements in housing, farm legislation, and social security, are being used over and over again by the people who don't want us to continue growing and becoming stronger. I don't think you are going to be fooled by those scare words any more than when people told you 20 years ago that guaranteeing bank deposits would ruin the country.

It takes a lot of hard work on the part of the Government in Washington, working right along with all the people of the country, to keep us growing and prosperous.

I am making this trip so that I can find out just exactly how things are going, and what it is you want your Government to do. I want to keep us on the road to prosperity, and I want you to understand what I stand for, and why I send down the messages I

have been sending down to the Congress in the interests of all the people, the farmers, the businessmen, and the workers. I think it is proper, and I think it is right that the President, who is your hired man, should come out once in a while and let you get a look at him and listen to what he has to say, and find out if he is the same fellow who was out hunting for votes 2 years ago.

I have enjoyed today very much. You know, it is quite a day for me. I am 66 years old today. I know you will say I don't look it, but I am.

It has been great. The people of Iowa have shown me a wonderful, wonderful welcome, and I am going over into Nebraska now, and I am going to Lincoln and make a specific speech on what I believe is proper for the farm program of the United States of America, and I am going to make it perfectly clear and simple so you can understand it. Nobody will have a chance to garble it up, because I am going to talk to you over the radio, and you are going to hear just exactly what I have to say, and nobody will have to interpret it but yourselves.

That is the reason I am out on this trip. I want you to understand the facts as they are. You don't very often get a chance to do that, because people don't have the opportunity to read all the records of the Congress, you don't have a chance to read the messages which I send down, you don't have a chance to read the debates. What you read is something that is skimmed off the top, that will maybe make a headline, and sometimes it doesn't mean a thing.

I do thank you most sincerely for your cordiality to me today in the great State of Iowa, and I want you to understand that I am the servant of the people. I am still working for you. I am trying to do just exactly what I told you I would do in 1948, and I hope I haven't changed a bit.

Thank you very much.

[6.] LINCOLN, NEBRASKA (Address, 4:56 p.m., see Item 111)

[7.] GRAND ISLAND, NEBRASKA (Rear platform, 7:45 p.m.)

When I was here last time, I was here on a Sunday in 1948. Time passes very quickly. You gave me a pair of spurs, and I told you I was going to make good use of them, and I did. I used them on the 80th Congress through the second term of the Presidency of the United States. I still have those spurs, and I am going to keep them as long as I live, because they were a symbol at that time.

I have just come from Lincoln where I made a speech on the major farm problems which we face, and I made the speech in a terrific downpour of rain, and I got wet as a drowned rat, but I finished the speech, and I told them that I thought maybe they needed the rain more than they did me. They wouldn't admit it, but they were very kind to me, and an immense number of that audience stayed in that heavy rain to hear what I had to say about the farm situation, and my program for settling it. I hope some of you heard that speech over the radio, and I hope you will all have a chance to read about it in tomorrow's papers.

There are four main principles on which our national farm program should be firmly based.

1. We must maintain farm income at high levels.
2. We must expand the markets for farm products.
3. We must conserve and improve our soil and water resources.
4. We must preserve the American tradition of the family-size farm.

If we are to keep our farms prosperous, we can't sit still and do nothing while surpluses pile up, or when farm incomes drop,

or when dust storms threaten. We have to take action, and that is exactly what I am proposing to do.

One thing we need is a system of production payments which will be beneficial to the farmer, the consumer, and the taxpayer alike. By using production payments, we can give farmers the proper incentive to grow more of the kind of food which the country needs, and less of the kind we don't need. We can prevent big surpluses. The consumers will get more food, and at lower prices. We shall get more livestock.

Some people will try to tell you that this idea of production payments is regimentation or socialism. The opposition has used language like that against every piece of progressive legislation for the benefit of the farmers or for the benefit of the people.

Back in 1933, after years of deep depression, when farm prices were at rock bottom, and your homes and farms were being foreclosed, the New Deal passed the Agricultural Adjustment Act.

What do you think the opposition said about the AAA in 1933? One Member of the Congress called the AAA "more bolshevistic than any law or regulation now existing in Soviet Russia." That was in 1933. Another Congressman predicted that the AAA would put the farmer "under bondage to the Government."

Well, you know that didn't happen after 1933, any more than it will happen now under this plan of production payments.

Whatever scare words the opposition uses, we intend to move forward with a positive program to keep high incomes for the farmers. We know that in order to keep the country prosperous, agriculture must be prosperous. And there is no surer way to guarantee world peace than to keep this country strong.

Now, there have been all sorts of conversation about farm programs, labor programs,

and business programs. In 1948 I went over the country and told you what I stood for. I am back here now, in 1950, reporting to you on what I have tried to do, reporting to you that the welfare of the country as a whole is my first job. I am your hired man. You hired me in 1948. I am trying to live up to the responsibility which you gave me. I am trying to obtain world peace. I am trying to keep the farmers prosperous. I am trying to keep labor on the same basis, and I am trying to keep business going as it should in this country.

And I think we have been very successful at it over the last 5 years. I want you to weigh the situation as you see it. I want you to look at the facts. I want you to know what the facts are—and that is the reason I am with you tonight. I am trying to tell you what the facts are. I am trying to tell you what I still stand for. I am trying to let you know that I came out here in 1948, and I was then running for President of the United States, and I was asking for votes on a certain kind of platform. I am out here now to report to you, to let you look at me, and to let you talk to me, and to let you know that I haven't changed since 1948.

I am still working for you and the welfare of the country.

Thank you very much.

[8.] RAVENNA, NEBRASKA (Rear platform, 8:43 p.m.)

Thank you very much, Mr. Mayor. It is good to see all of you here in Ravenna this evening. I want to talk to you about one of your major problems, soil conservation. I hope some of you were listening to my rain-made speech in Lincoln this afternoon. We had a terrific rain there, and they were not sure whether they wanted rain more than they did the President or wanted the President more than they did the rain.

Our growing population and rising standard of living require better and better use of our farm lands. That is why the dust storms in the Great Plains this spring have caused concern everywhere in the Nation.

The farmers of this country know a great deal more about dust and other conservation problems than they did 20 years ago. Since the "black blizzards" of the thirties, farmers and the Government, working together, have developed an effective soil conservation program. As a result of the soil conservation districts, and the agricultural conservation program, millions of acres of land are now being farmed with the best scientific practices.

In the Great Plains, an important aid to conservation is provided by shelterbelts of trees. Fifteen years ago last month the first tree was planted for the first shelterbelt. Now, I was in the Senate at that time, and I never heard as much argument against anything in my life. The arguments were just as if the world was coming to an end if we planted a few trees out here in the Plains. We planted the trees, in fact 25,000 miles of shelterbelts were planted. You remember that many people scoffed at the idea of growing trees on the Plains. I wish you could have heard some of the Senators that are still there, making speeches against the shelterbelt. They said it was just a boondoggle. But today the trees are growing, and they are breaking the force of the wind. Of course, we have a long way to go yet before we lick the problems of dust and soil erosion, and floods.

We have got to move forward as far as we can, to find better conservation practices, and then put them into effect. We need more of the kind of pioneering work you people around here have long been doing with stubble-mulch farming. We have got to keep right on until we are sure there will never be another dust bowl.

There is another thing we have learned about soil conservation, that is that good conservation is good business. The man who manages his farm with good conservation practices will have a permanent and steady income.

We are going to keep right on moving ahead with soil conservation, just as we are with the other programs that will lead to more prosperity and a better life for all of us, such as improvements in our Social Security System, Federal aid to States to help them improve schools, a broad nationwide health program, and better housing.

Above all, we are going to keep right on working for world peace.

Now, I am out here on this trip to tell you just exactly what is going on in Washington, to give you firsthand information about what I have been trying to do as President. I came out here over the country in 1948 and told you what I hoped to do. I talked to you very frankly. I talked to you as one of your citizens.

I am talking to you now as your hired man. You decided to put me back in the Presidency, and I have come out here and I am going all the way across the country almost to the Pacific coast to tell you just exactly what I am trying to do, and I am telling it to you firsthand so it can't be garbled. I am letting you listen to me, and look at me and see if you still think I am the same fellow that was out here trying to get you to vote for me in 1948.

I am going to try to keep on working in the public interest. I am going to try to balance the economy of this country so that the farmers, the workingman, and the businessman will have a fair share of the tremendous income that the country has now. We have the greatest national income we have had in the last 3 or 4 years in the history of the world, and that income has been rather equitably distributed—the farmers,

the laborers, and the businessmen have all had their fair share.

Everybody has been put into the position of being a part of the economic situation of the United States. All I am trying to do is keep that up, and if we keep that up and improve it, we will come to the point where we will have peace in the world.

Because, our economic situation being strong, our defense situation being strong, the people in the world who are not for the things that we believe in will not directly attack us.

And we don't want to attack anybody. All we want is peace in the world, so that the distribution of things all over the world will be just like we want them here at home.

Now, if you people will support that sort of program, I am very sure that we can put it over. That is the reason I am out here, to tell you what it means.

I can't tell you how very much I appreciate the reception I have received today across the State of Iowa. Thousands of people stood in the rain at Lincoln to hear what I had to say about the farm program. People have come out to see whether their President is what he was when he was a candidate.

Now then, I am going to tell you just exactly what I stand for, I am going to tell the whole country what I stand for, I am going to tell the whole country what I am trying to do—and with your help I will get it done.

Thank you very much.

[9.] BROKEN BOW, NEBRASKA (Rear platform, 10 p.m.)

Thank you very much, Mr. Mayor. I have been traveling all day through Illinois, Iowa, and Nebraska, talking to people on the problems which this country faces. Somebody told me that this great city of Broken

Bow had 2,800 people in it. It looks to me as if there are 28,000 here tonight. It has been a wonderful day for me to see all of you get out in this great agricultural area through which I have traveled.

I grew up on a farm in Missouri, and know firsthand what it is like. Of course, I am not up to date on the subject. You see, I lived on the farm from 1905 until 1917 when the First World War broke out, so I guess I would be a little out of date now.

I used to milk cows by hand. I used to plough with a four-horse team, instead of a tractor. I used to sow wheat with a drill that had only 12 hoes on it, and I used to cut wheat on a binder that cut 8 feet wide. I would be completely out of date now, and I understand that because I have two nephews on the same farm that get much more out of that farm than I ever did. But they do it with machinery. They milk cows by machine, and they plough with a tractor and they plant with a tractor, and they bale hay with a tractor. I don't think that those boys could follow me up a corn row to save their lives, because they ride and I walked.

We have been doing a lot in recent years to make country life easier and happier—just like I have been telling you. One of the most important things has been to bring electricity to the farms. Electricity is a great liberator. On thousands of farms all over the country, electricity provides light, it pumps water, grinds feed, and milks cows—I used to milk them by hand—it provides power for your farm implement repair shops.

Your REA-financed cooperatives in this area are helping to bring more cheap electricity which will make life on the farm much easier.

Fifteen years ago, before we started the rural electrification program, only 1 out of every 10 farm families had electricity. Now 8 out of every 10 of the Nation's farms are electrified. That is real progress. I was in

the Senate when the REA thing came up, and you should have heard the roar, you should have heard the quarrels that were carried on by people who said it was regimentation, that it shouldn't happen, that there was something wrong, that farmers shouldn't have cheap electricity. But you are getting it, and I am mighty happy that you did.

I was on the investigating committee that looked after the holding companies who controlled nearly all of the electrical organizations in the country. People were not interested in giving the farmers electricity, so we started the REA, and now you have it.

I am glad to see that Congress has now authorized loans to expand rural telephone facilities. That is another step forward. This is meeting the same kind of opposition.

There are many other ways in which the Government is working with you to improve country life in the United States. We want to see that children have decent educational opportunities in rural areas, especially where they have long distances to go to school.

I am very much interested in the improvement of farm housing. The Housing Act that was finally passed last year—after the people replaced the 80th Congress with the 81st—is helping to build better farm homes right now.

I regard Government expenditures for the improvement of rural life as an investment in the future of this great country. The next time you hear somebody talk about high Government expenditures, remind him that when we spend money for raising the standard of living on the farm, we are contributing to a greater nation. And that is the best way to preserve world peace.

Today is my birthday, and you people in Broken Bow have helped make my birthday a happy one by this fine reception—a remarkable one at this time of night, and I can't tell you how much I appreciate it.

I came out here to report to you. Two years ago I was riding around all over the country, in fact, I went 31,700 miles, and I spoke to about 7 million people, as well as 7 million more, and I spoke to about 15 million over the radio; and they believed me—they elected me President of the United States in 1948.

And I am coming back now to talk to you and let you look at me and see if you think I have gone "high hat" on you. I am still working for your welfare and benefit. I am your servant. That is the reason I am taking this trip across the country. I want you to know what I think, what I am trying to do, that I am trying to carry out those things that are for the best interests of all the people, that will contribute to getting peace in the world that will be permanent. That is the thing I am interested in.

I fought in the First World War, and I tried to fight in this one. You know, I went down to see General Marshall, when I was a United States Senator. And I was a Field Artillery captain in the First World War, and had been studying field artillery and they had made me a colonel in the Reserve Corps up to then. And I said, "General, I would like very much to have a chance to work in this war as a Field Artillery colonel." This was just after we had passed the first Draft Act in 1940. And the General pulled his specs down on his nose like this, and he looked at me over them and said, "Senator, how old are you?" And I said, "Well, I'm 56 years old." And he said, "You're too damned old. You'd better stay home and work in the Senate." Well, I did.

After events moved around, through no arrangement on my part, I became President of the United States, and General Marshall was Chief of Staff. He was out in my office one day, and my Secretary, Mr. Connelly, said, "General, if the man in the other room"—which happened to be me—"were

to ask the same question now that he did in 1940, what would you say?" And the General said, "Well, I would tell him the same thing, only I would be a little more diplomatic about it."

I appreciate the cordial welcome which I have received in Illinois, Iowa, and Nebraska today. I think it shows that people understand what goes on in their Government. And I think the best way for you to understand that is for me to come out and report to you. That is what I am doing. I am here to find out how you feel about things. I am here to find out what ought to be done for the welfare of the country. And that is what I am trying to do.

I am your public servant, hired by you in the election of 1948, and I hope that when we get through with this trip, most of the people in the United States will understand that I am only working in the public interest and for your benefit, and for the peace of the world. I can't tell you how much I appreciate this wonderful welcome here in Broken Bow, Nebr.

Thank you very much.

[10.] SENECA, NEBRASKA (Rear platform, 10:45 p.m.)

I didn't think there would be very many people here, this late in the evening. I am surprised and really appreciate your greeting me. I appreciate it more than I can tell you.

Since yesterday afternoon I have traveled halfway across the country. I have met and talked with a great many people. There is no better way for a President to find out what people are thinking about, and what they think of the great problems of today than to come out here and exchange ideas with you.

Tonight I want to talk with you briefly

about the greatest problem we have today. That problem is how to obtain a world peace. When you stop to think about it, there is nothing more important to us than that.

This is the fifth anniversary of V-E Day. In the last 5 years we have learned that the road to peace is a most difficult and expensive one. Eventually we will get the kind of world peace we are working for. It will come when the great majority of the people in the world have learned that the kind of democracy we have in the United States offers more to the average citizen than any other system of government.

Some people forget that what we do here at home has a direct bearing on whether there will be peace in the world or not. Peace depends on our staying strong, and remaining prosperous, and making constant improvements in our democracy. That is why we need to see that business and industry continue to grow. That is why it is so important for us to press forward with better housing, better health, better schools for all our own people. That is why it is so important that we have strong and prosperous farms.

I am working for these goals because I believe that they will not only strengthen this country, but will provide the best means for achieving world peace.

I am more than happy that you came out here tonight, and I am more than happy that I stayed up to come out here and talk to you tonight. I started out on this trip to let you know that I am still working for the same goals, and trying to do the same things for the welfare of the country that I was when I was out here asking you for votes.

I think that we could accomplish the things that we really want to accomplish if we work hard enough to get them done. I tried to prove that to you in 1948. I

think I did. We still have a great many things that need to be done in this country, and in the world.

I am going around to Grand Coulee Dam, and out to Wyoming, Montana, and North Dakota, Minnesota, and Wisconsin, and am going to finally wind up in Chicago. And when we get through, I think the people of the United States will understand that my position on the great issues which face this country and the world has not changed, that I am still working for the same goals, and I am doing my best to make this Government a government of all the people,

that I am doing my best to attain world peace, a peace that will last and that is to the interests of all concerned.

I appreciate most highly your coming out here tonight and I thank you very much for your kindness.

NOTE: In the course of his remarks on May 8 the President referred to, among others, Dr. John Conger, a retired professor of Knox College who introduced the President in Galesburg, Adlai E. Stevenson, Governor of Illinois, Thomas J. Smith, Mayor of Burlington, E. F. Kozel, Mayor of Ravenna, Gen. George C. Marshall, former Chief of Staff of the Army and former Secretary of State, and Matthew J. Connelly, Secretary to the President.

III Address in Lincoln, Nebraska. *May 8, 1950*

THANK YOU very much. I just can't realize the compliment which you are paying to me, to come out here in all this rain, although I had told Governor Peterson that I was very sure that the rain would be more welcome at this time than the President of the United States. I believe they are both welcome.

You know, I have been very well acquainted with several of your Governors. I have had two of them in the public service, Roy Cochran and Dwight Griswold. That is a bipartisan arrangement, because one is a Democrat and the other is a Republican. I was well acquainted with Mr. Bryan when he was Governor of this State, and I have been up here on numerous occasions.

I came up here at one time when I was responsible for the construction of the courthouse in Jackson County, to examine your great Capitol buildings. The architect of that building was very nice to me, and explained to me that your Capitol would go down in history as one of the wonders of architecture. You do have some wonderful things up here.

I just want to explain to you that I am a neighbor. I understand your situation, and I sincerely wish that the weather was such that you could stay and listen to what I have to say. Now, whether you like it or not, I am going to have to make this speech, because it is on the record, and it has been given out on the streets, and the newspapermen will be checking on me to see whether I have got nerve enough to make it.

I know what rain means to farmers, so if you don't stay here while I make this speech, I won't be offended in the slightest.

You know, I have been looking forward very much to this visit to the Middle West. This is my own home country, and I always enjoy coming back to it.

I am particularly glad to be in Lincoln on this trip. Here in the center of the Nation, where the Corn Belt merges with the Great Plains, we can see clearly the greatness and the importance of American agriculture.

This city of Lincoln depends on the farming areas around it for the sources of its livelihood. The city draws products from agriculture, and in turn provides goods and

services to the smaller towns and farm families nearby. This is the pattern all over this great country.

The whole development of this Nation shows how city and country, industry and agriculture, can grow and prosper together, by cooperation and with mutual benefit.

What's true of our country is true of all the world.

Our country today, along with other free countries, is engaged in a tremendous effort to bring about peace based on freedom and justice. Make no mistake about it, the struggle we are in now is just as important to our future as was our victory in the last war.

If we are to win through to the peace, we must maintain a healthy and strong economy. And our economy can grow and prosper only if the other free countries grow and prosper also. For the genius of freedom is to succeed not by exploitation but by cooperation.

American agriculture is directly concerned with the success of our program for peace. You here in Lincoln are directly affected by what happens these days in Berlin, in Paris, in Singapore.

No one should know that better than the American farmer, because farmers remember what happened to them after the last war.

In the early 1920's the bottom fell out of agriculture in this country. Export markets disappeared. Prices plummeted to the bottom. The price of corn dropped in 18 months from \$2 to 42 cents a bushel. The price of cotton fell from 40 cents to 10 cents a pound. Land values collapsed. The resulting agricultural depression in the 1920's was the forerunner of the national depression of the thirties.

Those were the days when international trade barriers were built up and up, in a foolish and futile effort to gain advantage at the expense of somebody else. Those were the days when farmers were left alone

to struggle with their problems while the rest of the country went up and up on the bubble of the boom.

When that bubble burst, the hollow nature of that boom was revealed. Our country and the whole world suffered the agony of the great depression.

It is perfectly evident now how worldwide depression paved the way for the Second World War.

That is why we are doing everything we can to see that the same thing doesn't happen again. That is why we are working so hard to bring about a sensible development of world trade and a healthy world economy. That is why we are determined to prevent another agricultural depression.

Fortunately, we have the experience of the last 17 years to guide us.

In 1933 we started in to attack the national depression at its roots. One of our first efforts was to overcome the farm depression. We developed special credit programs to rescue farm families. We stepped up agricultural research to develop better crops and broader markets. We started national soil conservation programs to restore the basis for the abundant production. We developed a price-support program to assure farmers a fair income.

These and other farm programs helped farmers and they helped the whole country. The national farm income in 1940 was twice as large as in 1932—which meant twice as big a farm market for industrial products. As farm income increased, the income of the rest of our people also increased. This was a practical demonstration of the truth that the people of this country prosper together, and they suffer together also.

Of course, these new farm programs were opposed by selfish or shortsighted people. It was the same kind of mudslinging, name-calling opposition that you hear now every time we bring up a new proposal for the

benefit of the whole people.

I remember when I first went to the Senate, an important farm bill was being debated which became the foundation of our present agricultural conservation program. Over in the House of Representatives, one Congressman said this legislation was "an attempt to enslave the farmer," and that it was "communistic." Another Congressman said that under this legislation farmers would be "dominated and regimented for all time"—they would "no longer . . . be free men."

These were the same people whose weird brand of "statesmanship" had brought us to the low point of 1932. They and their kind opposed all the efforts that were made to get the country out of the trouble they had got us into—just as they are opposing our efforts to improve things today.

When you think how miserably wrong they have proved to be in the past, you can see just how little truth there is in the wild charges they are throwing around now.

They said—back there in the thirties—that our farm program was "an attempt to enslave the farmer." Instead, it has made the farmer free—free of the crushing burden of debt that had driven him to the verge of revolution in those dreadful days of the depression.

They said our farm programs were "communistic." Instead, they have strengthened the foundations of democracy by making the farmer more secure in the ownership of his own land.

They said farmers would be "regimented." Instead, farmers regained control over their own destinies, and under these programs they have enjoyed more liberty and led a better life than ever before in the history of the country.

That is the real story of what happened under our farm laws.

These laws led to freedom and prosperity.

They were, and are, strong bulwarks for our free and democratic society. Remember that fact when you hear people today croaking the old charges of "socialism" and "regimentation" about every new proposal for progress.

Then, when the war came along, our farm programs proved their worth all over again. The soil conservation, research, and education programs made possible an enormous rise in farm output, even though fewer people were available for farm work. The stored-up surpluses of cotton and wheat and other crops, which had been bitterly criticized before the war, turned out to be extremely valuable.

The price-support system was adapted to wartime needs. It was used to encourage farmers to increase total production and to turn out the right amounts of each essential product. As a result, we provided well for our fighting men and our war plants, we shipped great supplies to our allies, and our civilians had more and better food than ever before.

The tremendous expansion of production during the war was equally valuable when the shooting stopped. In the years since the war, literally millions of people have been saved from a starvation diet by the products of our fields. Food from this country helped to stop and roll back the advance of communism. Without that food, many of our friends in Europe would have been lost to the cause of freedom.

Today, our farm programs are undergoing new tests. They have proved their worth in bringing about economic recovery and meeting the demands of war. During the last few years, we have been faced with the problems involved in readjusting to peacetime needs.

Two things have been made abundantly clear. First, that our programs have served us well—have indeed been our salvation—

in preventing the kind of disaster that followed after the First World War. Second, that there are defects in the present system which require correction.

One of the main reasons we have had no serious economic downturn since the war is the farm price-support system. After the First World War, net farm income dropped nearly 50 percent in a single year. This time, when the market prices of some commodities began to fall sharply, the price-support system checked the decline and protected the farmers' incomes. Everybody in this country is better off today as a result of this fact.

However, our present farm price-support program is not fully satisfactory. It is not encouraging the substantial readjustments in production that are needed. It has allowed farm income to slide downward too much and too fast.

In the last 2 years, farm income has dropped more than 20 percent. That is nothing like what happened after the First World War. Nevertheless, it is very serious. This drop is not good for farmers, and it is not good for the rest of the country. We need to take positive action to stop and reverse that trend.

Furthermore, the present law provides no satisfactory basis for dealing with perishable crops. The present program relies on the Government's taking off the market commodities which are in temporary surplus. That works all right for products which are storable, as long as we don't build stockpiles bigger than may be needed in an emergency. But such a system doesn't work for perishables.

It is foolish to have the Government buy and store food that people want to eat now. It is even worse to have the Government buy food and destroy it, but that sometimes happens under the present program.

Everyone knows about the shameful potato situation. This can lead to public resentment strong enough to discredit the whole farm program. The taxpayers should not be expected to foot the bill for buying food which has to be wasted.

These obvious defects of the present support program have led to a great clamor. Some people would like to abandon the program altogether. Others would like to abandon all of it except the part that helps the crops they are particularly interested in. Others are just interested in muddying the waters for partisan political advantage.

It is not easy to disregard this clamor and see clearly what is right to do in the interest of the whole Nation. We must base our decisions on the facts that are demonstrated by our experience.

We must preserve the good features of the present program. They are built on a solid foundation. They are necessary for our own welfare and that of the free world. But we clearly need to improve and strengthen existing legislation.

This administration has made a very careful study of the changes that are necessary to adjust our farm support program to present conditions. A series of recommendations were worked out within the administration and were presented to the Congress last year by the Secretary of Agriculture. Those recommendations take the existing program which has been built up through years of experience, and seek to improve it further to meet the shortcomings which are evident.

No one claims that these recommendations are perfect in every detail. We are constantly looking for ways to improve them. I am firmly convinced, however, that they form by far the most comprehensive, effective and progressive proposals that have yet been offered.

The essential purposes of these proposals

can be very simply stated.

First, they are designed to obtain the amounts and kinds of farm products that are needed in an expanding economy, and to assure the farmers the opportunity to earn a fair income for producing those products. The support program must encourage farmers to reduce costs, and to shift production to the commodities for which we ought to have expanding markets. In particular, it should encourage farmers to shift to livestock, rather than to continue producing surpluses of such crops as grain and cotton.

Under the proposals we have made, farmers would be given incentives to make the needed shifts in production. Farmers would be assured of support for all the crops which yield a major share of farm income. At present, some of the most important ones are left out. Furthermore, recent production and prices, rather than some out-of-date historical period, would be used in calculating fair income support levels. These are obviously desirable changes.

It would continue to be necessary, in some cases, to limit production to genuine consumer demand, in order to avoid surpluses greater than amounts which are needed for storage. There are some people—the same people who have been against the farmer all along—who seize on this fact and go around crying “regimentation” and talk about how the farmer is going to lose all his liberty.

Now this is just as strange as it can be. The truth is that such limitations have been provided for in our major farm support programs for many years. We have known since the experience of the Federal Farm Board, some 20 years ago, that there are times when some control of production is needed to make a support program workable. Unless production controls are available on some crops, for use when needed,

price support could be an impossible burden on the taxpayers.

And here is something to remember. Under our system, quotas are not imposed unless two-thirds of the farmers affected vote for them. When two-thirds of the farmers vote to adopt quotas for themselves it is preposterous to go around calling that regimentation. Moreover, quotas are administered by local committees elected by the farmers themselves. These production controls are in complete accord with the tradition of democratic self-government.

The second purpose of the administration's proposals for changes in our support program is to provide a method for using our entire supply of perishable products, instead of taking part of it off the market and putting it on the shelf. Under our method all the product would go into the market and be consumed. A system of direct production payments to farmers would make up any difference between the average market price and a fair return to the farmer.

Such a system would be simple and efficient. The farmer would be sure of getting at least the support price. The people of towns and cities would get the benefit of what is produced.

I have heard this system attacked on the ground that it would cost too much. Most of the fantastic estimates of the cost you hear are made by those who don't understand how it would actually work. When you study the facts, you will see that this plan should cost no more, and may well cost less, than the present system. And it would have the tremendous advantage of using, instead of wasting, perishable products.

The plain fact is that the production payment plan is the best plan yet proposed for getting an abundant production of perishable crops consumed without knocking the bottom out of the farmer's income. It is in

the farmer's interest. It is also in the consumer's interest. I firmly believe that it should be made a part of our national farm program.

Our third purpose is to encourage the conservation and wise use of our land and water resources.

A price-support program can do this in two ways. The first is by encouraging livestock production. If we produce the livestock products that our people want, we shall need to keep more land in grass and hay. And that is one of the major things we need to do in order to conserve our soil. Nebraska, Missouri, Iowa, and Kansas have a right to land from the lower counties in Louisiana because they have been washing away.

The second way is to make soil conservation practices a requirement for anyone who wants the benefit of price support. The whole Nation has an interest in soil conservation and benefits by it, just as the whole Nation has an interest in and benefits by a sound price-support program. It does not make sense to provide just as much price support for the individual who is deliberately ruining his soil as we provide for the good farmer who is keeping his land productive for future generations.

The need for soil conservation is one of the most important challenges confronting us. Our price-support program can, and should, help us meet that challenge.

The fourth purpose of our recommendations is to give the most support where it is most needed—that is, to the family-size farm. The present program channels too much of its benefits to the largest farms. Of course, we must not ignore the welfare of the large farms, which contribute so importantly to agricultural production and income. But it

is only sensible, where public funds are involved, to provide a higher degree of protection for the family farm, which is so fundamental to our democratic society.

These are the four major purposes of the recommendations this administration has made for improving the farm-support program. They are designed to contribute to a stable and prosperous agriculture as part of a strong Nation. They will encourage a sustained, realistic abundance of farm production as the basis of rising living standards for all our people.

They are an expression of our faith that we can all go forward together toward well-being and abundance—farmers and city folk—the people of the United States together with free people of the world.

That is the only way to assure peace and prosperity for ourselves, and for the world. Now, my friends, that is a fine program that will work, and I want you to perform it.

I want to thank you so much for staying with me. I never, never in my life anticipated that there would be a single person left here on the grounds when I got through reading.

NOTE: The President spoke at 4:56 p.m. from a platform that had been erected near the railroad station, at the intersection of 7th and Q Streets, in Lincoln, Nebr.

In his opening remarks the President referred to Val Peterson, Governor of Nebraska; Robert LeRoy Cochran, Governor of Nebraska from 1935 until 1941, and deputy chief of the American Mission for Aid to Greece in 1947; Dwight P. Griswold, Governor of Nebraska from 1941 until 1947, and chief of the American Mission for Aid to Greece from June 1947 until September 1948; and Charles W. Bryan, Governor of Nebraska from 1923 until 1925, and again from 1931 until 1935.

Following the President's address he was presented with a birthday cake in honor of his 66th birthday, at which time all of the persons in attendance joined in singing "Happy Birthday" to the President.

112 Special Message to the Congress Transmitting Reorganization
Plan 22 of 1950. May 9, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 22 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan improves the grouping of Government programs according to their major purposes by transferring the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency. This reorganization carries out the specific recommendation of the Commission on Organization of the Executive Branch of the Government that "The Federal National Mortgage Association be placed under the Administrator of the Housing and Home Finance Agency."

At present, the Federal National Mortgage Association, a wholly owned Government corporation, is a subsidiary of the Reconstruction Finance Corporation. Its purpose is to provide a secondary market for home mortgages insured or guaranteed by other Government agencies through the purchase, service, and sale of such mortgages. In addition, it is authorized to make direct loans for housing in Alaska. As of the end of March 1950 its total holdings were approximately a billion dollars and its outstanding commitments to purchase were more than \$1,400,000,000 in addition. Such a volume of activity has an obvious impact on the Government's entire housing program.

The Congress has long recognized that the function of such a secondary mortgage market is closely related to the entire housing program. The Federal National Mortgage Association originally was chartered by the head of the Federal Housing Administration as authorized by Title III of the National Housing Act. In rechartering the Federal

National Mortgage Association two years ago the Congress recognized the relationship between it and the operations of the Housing and Home Finance Agency by providing that the Federal Housing Commissioner alone would have authority to determine whether and when the Federal National Mortgage Association should be terminated. This Act also required submission of semi-annual reports to the Federal Housing Commissioner and for the transmittal by him of these reports to the Congress together with his recommendations thereon.

Nearly three years ago the Congress approved the establishment of the Housing and Home Finance Agency under an Administrator who could be held responsible by the President and the Congress for the general coordination and supervision of Federal housing programs placed in the Housing Agency at that time. The Federal National Mortgage Association was not then made a part of the Housing Agency because the provisions of Section 5(e) of the Reorganization Act then in effect precluded submission of plans involving agencies whose organizational status had been changed by the Congress subsequent to January 1, 1945. The Act of February 24, 1945, transferred the Federal Loan Agency which included the Federal National Mortgage Association from the Department of Commerce. Moreover, the holdings of the Federal National Mortgage Association amounted to only \$7,500,000. This small volume of operation presented few immediate problems of coordination with other aspects of the entire housing program. However, the basic relationship of the Federal National Mortgage Association to the housing program was recognized by making the Chairman of the Reconstruction Finance Corporation, or his

designee, a member of the National Housing Council.

The present high volume of activity by the Federal National Mortgage Association has radically altered the situation which existed in 1947 and has made it essential that these market operations be geared more closely into the Government's housing program. The manner in which these market operations are administered has a direct effect on the kind of mortgages written and the availability and cost of mortgage credit. The secondary market must be administered therefore at all times in full consistency with other programs affecting housing credit.

The Government seeks to accomplish the objectives of its housing program through the use of several methods. The purchase and sale of home mortgages in the secondary market by the Federal National Mortgage Association is merely one of such methods. Others include the insurance of home mortgages and improvement loans, insurance of shares of savings and loan associations, and loans and grants to local public agencies for the purpose of financing low rent housing projects and slum clearance. All of these methods are means whereby the objectives of the housing program are achieved and should be the responsibility of the agency charged with that program.

The transfer of the Federal National Mortgage Association will not prevent the Reconstruction Finance Corporation from making loans to business enterprises on the security of real estate, or from accepting mortgages as collateral in connection with a

business loan. This type of activity is consistent with normal business lending functions.

The transfer of the Federal National Mortgage Association to the Housing and Home Finance Agency will assure the necessary coordination of its operations with other housing programs, thus providing a sounder basis for future progress toward a better-housed America. It is not probable that the reorganization in this plan will immediately result in reduced expenses, but in view of the relationship to other programs of housing aids, a more consistent approach in carrying out such policies will be possible and should result in long-term economies.

After investigation I have found, and I hereby declare, that each reorganization included in Reorganization Plan No. 22 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

In view of the direct relation of the Federal National Mortgage Association to other housing finance programs, which was initially recognized by the Congress and only last year reiterated by the Commission on Organization of the Executive Branch of the Government, I recommend that the Congress grant its approval to the transfer provided in this reorganization plan.

HARRY S. TRUMAN

NOTE: Reorganization Plan 22 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1277) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1015). It became effective on September 7, 1950.

113 Special Message to the Congress Transmitting Reorganization Plan 23 of 1950. May 9, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 23 of 1950, prepared in accordance with the provisions of the Reorganization Act of

1949. The plan further promotes the grouping of Government programs according to their major purposes by transferring from the Reconstruction Finance Corporation to the

Housing and Home Finance Agency the lending functions of the Government with respect to the production and distribution of prefabricated houses and components. This reorganization would be consistent with the objective set by the Commission on Organization of the Executive Branch of the Government which recommended that "all housing activities be placed in one agency under a single administrator".

Under its general powers pursuant to the Reconstruction Finance Corporation Act, and pursuant to the Veterans' Emergency Housing Act of 1946, the Reconstruction Finance Corporation has made a number of loans to finance the production, distribution, and marketing of prefabricated houses and components. In addition, under section 102 of the Housing Act of 1948, the Reconstruction Finance Corporation is specifically authorized to make loans, not exceeding \$50,000,000 outstanding at any one time, to finance the production of such housing. The greater portion of the loans so authorized have been made and are now outstanding.

The development of an efficient prefabricated housing industry is an essential part of the total housing program. It, therefore, requires integration with the major housing activities of the Federal Government.

Moreover, the functions to be transferred from the Reconstruction Finance Corporation are complementary to other activities of the Housing and Home Finance Agency in the field of manufactured housing. The Agency has under way considerable research on this type of housing construction. Under the National Housing Act, the Federal Housing Administration, a constituent agency, insures loans for the manufacture of such housing as well as mortgages on such houses when erected and sold. Thus, the successful operation of the program of loans for the manufacture of prefabricated houses depends, to a large extent, on the ready availability of

mortgage insurance by the Federal Housing Administration as the primary means of assuring permanent financing for their sale.

The Federal Housing Administration also insures mortgages on rental housing developments to serve military installations under Title VIII of the National Housing Act, as amended, the so-called "Military Housing Act". The Congress recently has recognized the place of prefabricated houses in this program by amending the law to make it clear that the Department of Defense should use prefabricated housing which conforms to standards established by the Federal Housing Administration wherever it is feasible to do so. The development of a strong, expandable prefabricated housing industry also is essential for rapidly meeting any emergency housing needs of the country. The Housing and Home Finance Agency, in cooperation with the National Security Resources Board, should be in a position to encourage peacetime uses of prefabricated housing readily adaptable to potential emergency requirements of the future.

The transfer by this reorganization plan of the functions, loans, and unused authorizations of the Reconstruction Finance Corporation with respect to prefabricated housing will place most of the Government functions concerning such housing in the Housing and Home Finance Agency. This will make possible greater consistency between governmental assistance available for the production or manufacture of prefabricated houses with governmental assistance available for the distribution, erection, and marketing of such housing. It will also assure coordination and integration of the prefabricated housing functions with other programs within the Housing and Home Finance Agency and thus materially assist in carrying out the national housing policy.

This reorganization may not result in substantial immediate savings, although bene-

fits should be achieved through improved operations which will result in economies over a period of time. An itemization of these economies in advance of actual experience is not practicable.

After investigation I have found, and I hereby declare, that each reorganization contained in Reorganization Plan No. 23 of

1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

HARRY S. TRUMAN

NOTE: Reorganization Plan 23 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1279) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1016). It became effective on September 7, 1950.

114 Special Message to the Congress Transmitting Reorganization Plan 24 of 1950. May 9, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 24 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers the Reconstruction Finance Corporation to the Department of Commerce. The Corporation will continue to be administered by its board of directors and officers but subject to the supervision, coordination and policy guidance of the Secretary of Commerce.

This reorganization plan is an important additional step in simplifying the organization of the Executive Branch of the Government and also in making more effective the various Government services to business. In my special message of May 5 to the Congress I stressed the necessity of assuring the most effective coordination of Government aids to small and independent businesses. For this reason, I recommended that major responsibility for these programs be placed in the Secretary of Commerce. The need for such unified leadership and coordinated direction is no less essential with respect to our general business programs.

Both the business loan program of the Reconstruction Finance Corporation and the various services to business provided by the Department of Commerce have the same major purpose—the development of American business and industry. Government aid

to business may involve loans, loans insurance, economic and trade information, managerial and technical assistance or a combination of several of these different types of services. If these various services are to be of the greatest benefit to the business community, unified supervision is necessary. Vesting supervision of the Corporation in the Secretary of Commerce will promote consistent policies and coordinated administration for both the financial and non-financial services to business.

By grouping in one agency all the principal services to business, the plan follows a pattern of organization which has proved highly successful in the areas of agriculture and housing. Up to 1939 the Farm Credit Administration, the Commodity Credit Corporation, and the Rural Electrification Administration—all of them major agricultural financial programs—were outside the Department of Agriculture. Today, no major agricultural credit programs are outside the Department of Agriculture.

Similarly, most of the major housing programs, including those involving loans and insurance, have been grouped in the Housing and Home Finance Agency. Further, I am transmitting today Reorganization Plans Nos. 22 and 23 of 1950, which carry this policy forward by transferring the Federal National Mortgage Association and loans for

factory-built homes to the housing agency.

Only in the business area do we still maintain organizational cleavage between the Government's financial and non-financial activities. The reorganization under this plan will produce benefits comparable to those we have already obtained through unified administration of our agricultural and housing programs.

While the primary purpose of the Reconstruction Finance Corporation is to make loans to business enterprises, the Corporation, even after the transfer of its housing functions, will still retain certain functions not directly related to its basic mission. These include the manufacture of synthetic rubber, production of abaca, and operation of the Texas City tin smelter, which are temporary functions. Certain of these activities, particularly rubber, are substantially related to existing programs within the Department of Commerce. It is, therefore, appropriate that they also be transferred along with the Corporation to the Department pending decision as to their ultimate disposition.

The Commission on Organization of the Executive Branch of the Government unanimously recommended that the Reconstruction Finance Corporation should be brought within the departmental structure of the Executive Branch. The Commission was not unanimous, however, in recommending the department to which the Corporation should be transferred. A majority of the Commissioners favored transfer to the Treasury Department; a minority preferred the Department of Commerce. I have given the Commission's recommendations careful study. In my judgment, the activities of the Corporation are designed primarily to aid business. This is also a basic mission of the Department of Commerce. On the other hand, the Treasury Department has no lending functions with respect to individuals or

private corporations. The transfer of the Corporation to the Department of Commerce is consistent with the organization of lending activities for agriculture and housing.

The plan transfers the Reconstruction Finance Corporation as a corporate entity to the Department of Commerce. The Corporation's status within the Department of Commerce will be generally comparable to that of those thirty-five wholly-owned Government corporations which are already within departments or agencies or subject to the supervision of department heads.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 24 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The taking effect of the reorganization included in Reorganization Plan No. 24 may not in itself result in substantial immediate savings. However, the important objective is maximum effectiveness in the administration of our programs to aid the Nation's business. Greater effectiveness in turn will produce indirect savings in terms of the quantity and quality of output in relation to expenditures. An itemization of these savings is not practicable.

The economic health and prosperity of this Nation are dependent upon the continuing growth of business and industry. It is of vital importance that the various Government services which can play a part in promoting such growth make their most effective contribution. I strongly urge acceptance of this plan as a means of accomplishing this objective.

HARRY S. TRUMAN

NOTE: Reorganization Plan 24 of 1950 is printed in House Document 589 (81st Cong., 2d sess.). It did not become effective.

115 Special Message to the Congress Transmitting Reorganization Plan 25 of 1950. May 9, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 25 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers the function of the National Security Resources Board from the Board to the Chairman of the Board and makes the Board advisory to the Chairman. The plan also provides for a Vice Chairman, appointed by the President and confirmed by the Senate.

The function assigned to the National Security Resources Board by the National Security Act of 1947 is "to advise the President concerning the coordination of military, industrial and civilian mobilization". Proper performance of this function requires action by the Board and its staff in two broad areas:

(1) The conduct of advance mobilization planning which identifies the problems which will arise and the measures necessary to meet these problems if and when the Nation moves from a peacetime into a wartime situation.

(2) The formulation of current policies and programs which will help the Nation achieve an adequate state of readiness against the eventuality of a future war.

The role assigned the National Security Resources Board is clearly one of staff assistance to the President. The Congress recently recognized this fact in its approval of Reorganization Plan No. 4 of 1949 which, pursuant to the specific recommendation of the Hoover Commission, placed the National Security Resources Board in the Executive Office of the President.

The accompanying reorganization plan is designed to make the National Security Resources Board a more effective instrument. Successful performance of the Board's mis-

sion requires a wide range of detailed study and analysis to cover all the major aspects of national mobilization. A committee of department heads or departmental representatives encounters some natural difficulties in providing supervision and leadership in such an extensive and detailed activity. The Chairman has the difficult task of exercising discretion as to which matters shall be submitted for Board approval. The departmental members of the Board cannot possibly supervise or approve the Board's extensive and detailed activities and yet, as Board members, must accept ultimate responsibility for all such activities. Likewise, the departmental members are encumbered by the difficulty of having to reach collective and speedy decisions on a great many matters for which they, as Board members, are responsible.

By vesting the functions of the Board in the Chairman, the difficulties of Board operation will be overcome. At the same time, the reorganization plan provides for the continued participation of the several departments and agencies in the task of mobilization planning. This is not only a matter of established policy but also a requirement of the National Security Act. The departments will continue to have representation on the Board. The Board, in an advisory relationship to the Chairman, will be a useful arrangement for obtaining the necessary participation of departments in mobilization planning and for coordination of their activity. It will enable the departments to keep abreast of the total range of security resources planning. Without reliance on the departments for the execution of much of the actual job of mobilization planning, coordination with the total range of Governmental policies and objectives would be lost.

The Congress in passing the "National

Security Act Amendments of 1949" recognized the difficulty which exists when functions of staff advice and assistance are placed in a "board-type agency." The "National Security Act Amendments of 1949" in clarifying the role of the Chairman of the Munitions Board and the Research and Development Board strengthened and increased the effectiveness of these staff agencies of the Secretary of Defense by providing for the exclusive exercise of responsibilities by the Chairman. This plan achieves the same objective for the National Security Resources Board.

The accompanying reorganization plan provides for a Vice Chairman appointed by the President and confirmed by the Senate. The tremendous responsibilities of the National Security Resources Board and the heavy workload on the Chairman fully warrant this. Providing the Chairman with a principal associate for the exercise of his responsibilities is consistent with the usual practice in other agencies of the Executive Branch.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 25 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of a Vice Chairman of the National Security Resources Board. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government.

The taking effect of the reorganizations included in Reorganization Plan No. 25 may not in itself result in substantial immediate savings. However, the important objective is maximum effectiveness in security resources planning.

The security of this Nation requires that these steps be taken to enable security resources planning to move forward more effectively. It is for that reason that Reorganization Plan No. 25 is today submitted to the Congress. It is for that reason, and that reason alone, that I strongly urge Congressional acceptance of Reorganization Plan No. 25.

HARRY S. TRUMAN

NOTE: Reorganization Plan 25 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1280) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1017). It became effective on July 9, 1950.

116 Address in Casper, Wyoming.

May 9, 1950

Governor Crane, Senator O'Mahoney, Mr. Chairman, distinguished guests, and ladies and gentlemen:

It is a very great pleasure to be in Wyoming again. I was in Wyoming in 1948, but I didn't get as far as Casper. But I am starting out in Casper this time, so I wouldn't miss it.

Seeing this western country and talking to

the people out here always reaffirms my faith in the vigor of this Nation and the glowing promise of its future.

This is my first visit to the West since 1948. And I am making these stops and this visit to report to you as President of the United States, and to let you know that I am just as interested in what you are thinking and what you are doing as I was when I was

out here trying to get your votes.

As you know, we have settled a number of issues since 1948. And we've settled them in the old-fashioned, American, democratic way. One of those issues is of particular importance here in the West. It concerns the policy this Nation is going to follow in developing the great wealth of natural resources.

In this country, there have always been two philosophies about the use of natural resources. One philosophy is that our resources should be exploited by a privileged few for their own welfare and benefit. This first philosophy holds that if we preserve or develop natural resources for the benefit of all the people, that is "socialism," or some other kind of "ism."

The second philosophy holds that our natural resources are the cornerstone of a strong, free democracy. As such, they must be used to advance the well-being and the prosperity of all the people. This philosophy holds that it is necessary for democratic government to make sure that our land and water, our forests and our minerals, are used wisely, and not exploited for the benefit of just a few.

You know which of these philosophies I believe in. It is the same one that the great majority of the American people believe in.

I am happy to be able to say that since I was out here in 1948, we have been making progress in strengthening the policy of using our resources for the benefit of all the people. This Congress has been moving forward—not backward.

I am particularly happy to have that to say to you here in Casper, Wyo., today.

Wyoming is a state with tremendous natural resources. Here in Wyoming, the great plains of the West, with their abundant agricultural possibilities, rise to meet the high

plateaus and mountains, rich in minerals and water power.

Not so long ago this part of the country was considered "way out west." That phrase meant something more than physical distance. It expressed the attitude of too many people in important places in the East toward the real needs of this great region.

This country "way out west" was a source of low-priced raw materials for the East. It was an area where eastern money could be invested for quick, spectacular profits. The real needs of this western country were not understood or appreciated. Because it was "way out west," too many people, both in and out of Government, just didn't care about the future of this part of the country.

You know where that spendthrift, careless philosophy led us. Much of the best rangeland was badly damaged—some almost beyond recovery. Precious topsoils were washed down the rivers. The cream was skimmed off the mineral deposits. The primary emphasis was on quick exploitation of resources. The whole idea was to make money quickly and then move on.

I am sure that you businessmen, farmers, and ranchers remember the tragic results of this philosophy. You are still fighting to recover from the loss and the waste of that era. But now the American people are with you. They have renounced the narrow, selfish view of the exploitation of natural resources.

For 17 years, with one brief setback—and I told you about that setback in 1948—you had a Government that recognizes its responsibility for helping to preserve and develop natural resources. This is a government that works with you, not against you.

The contrast between the enlightened, democratic approach to the use of our natural resources, and the selfish, antidemocratic approach, is plain here in Wyoming. About

50 miles north of Casper lies Teapot Dome. About 50 miles southwest is the new Kortes Dam.

I met Mr. Kortes this morning for the first time. I met his son. That is a remarkable family, a most remarkable family. They have made a great contribution to this great State of Wyoming, and it is an example which a great many of us could follow to our advantage.

The name Teapot Dome stands as an everlasting symbol of the greed and privilege that underlay one philosophy about the West. It is not only a reminder that there were selfish or misguided individuals seeking special privileges. There are always such individuals. They are in every generation. It is also a reminder of what can happen in your own front yard when you have the wrong kind of government in Washington.

Kortes Dam is a product of a different philosophy about resources, and a different kind of government. High up in a mountain canyon on the North Platte River, this dam is a new source of wealth and strength for the people of the West. This is an example of the right way to use natural resources—for the benefit of all the people.

When the Kortes powerplant goes into operation this year, its three turbines will add 36,000 kilowatts of electricity to our national store of energy. It will be tied into a network of transmission lines, and teamed up with the plant at Seminole Dam 2 miles upstream and with other plants downstream. This development will bring light and power to thousands of homes, farms, and industries in Wyoming, Colorado, and Nebraska.

Furthermore, Kortes Dam is a part of the reclamation work of the Federal Government. This dam is built as part of a project which will bring more water to irrigated lands. The income from the power pro-

duced at Kortes will help repay the investment in the irrigation work.

The completion of Kortes Dam is thus a step toward developing natural resources for the welfare of the people. But this dam has another significance. It is based on a recognition of the fact that water and land and forests must be treated together. We can make proper use of our resources only if we base our plans upon that fact.

Like many of you here today, I was born and raised in the Missouri Valley—a little farther down in the Missouri Valley, but still in the Missouri Valley. Like you, I have seen at first hand the terrible effects of looking at resources separately. When too much sod on the plains was broken to plant crops, when the rangeland was overgrazed, the result was not only a loss of grassland and soil cover. The result was floods, and dust storms, and a heritage of waste that has had to be slowly and painfully overcome.

Today we know that soil and forest conservation, flood control and the development of power, navigation, and irrigation, must all be tackled and solved together. We have learned that a great river valley cannot be developed in piecemeal fashion. It is not possible to separate the land from the water. It is foolish to prepare for floods downstream but to pay no attention to soil cover and small creeks upstream.

It has taken years for us to organize our efforts in line with this concept of the interrelationship of all resources. We have met great opposition from selfish or short-sighted people—although I am glad to say that many have gradually been converted to the right viewpoint as the soundness of what we are trying to do has been demonstrated. We still have further to go. But the progress we have made in the last 17 years is tremendous.

Here in the Missouri Valley, which covers

one-sixth of the whole country, work is going forward to develop the land, water, and forests. We have embarked on these enterprises in the best democratic tradition. Our success has been possible because of private initiative, coupled with cooperative work by the Federal, State and local governments.

You can see the results of this all about you. The city of Casper lies in the midst of an area containing about a half a million acres of irrigated land. Private enterprise and local, State, and Federal governments are all playing a part in making irrigation farming more secure and more productive. Not the least part of the success of irrigation farming is due to the national investment in irrigation and the power facilities by the Federal Government.

There are a lot of people who oppose that. There are a lot of people who hate like everything to see those developments made, and I want to say to you that if we hadn't made some of these great developments in the Tennessee Valley, and the Columbia Valley, and other places in this great Nation, we would have had a hard time winning the war. Those power developments helped us to win the war more quickly.

That investment is good for the farmer, and it means a more stable economy for the people in town. For the Nation as a whole, the investment in sound reclamation work is a part of our broad effort to create a growing economy.

Here in the western part of the Missouri Valley, we have also been working to conserve and improve range lands. For the longrun success of livestock ranchers, a well-grassed and a well-watered range is absolutely essential.

Before 1934 almost nothing had been done to create that kind of range. Since then, much has been done on both private and public lands. We have found better grasses

to provide improved cover and more profitable grazing. We have learned to build small ponds and reservoirs, as a defense against drought.

Right here in Natrona County, within the past 10 years, 2,000 stock water ponds have been built. With more watering places, cattle and sheep can spread out over the range instead of overgrazing some parts and letting the good grass go to waste in other parts.

In ancient times the Mesopotamian valley, one of the richest in the history of the world, was ruined by overgrazing. It was also ruined by useless washings and things of that sort, but overgrazing contributed to the ruination of that wonderful valley.

This range improvement work means a more productive and secure livestock industry. It is important also in another way. Poor management of rangelands contributes to floods and allows silt to go down the rivers to fill up the power and irrigation reservoirs. Good management of rangelands prevents erosion, helps to hold back floods, and protects our investment in reservoirs.

These upper States in the Mississippi Valley have made a great contribution to the land holdings of the States at the mouth of the Mississippi Valley. We actually ought to lay claim to the southern counties on the Mississippi because all the soil came from up here.

We should be proud of the work we have been doing—on the rangelands, in irrigation, in power development, and all the other parts of our resource work. Green fields, blue reservoirs, clear streams, and the shining new transmission lines tell the advance we have made.

In the development and use of our resources, however, some of the most challenging tasks still lie ahead. There are a lot of things to do.

We need to put more of our land under

good conservation practices. We need to build more ponds and reservoirs on the ranges, and dikes to spread water more evenly over the land. Millions of acres need reseeding. We are far from a balanced range program. Through the agricultural conservation program, we are making a national investment on private rangelands which is considerably larger per acre than the amount the Government is spending on public rangelands. Incidentally, the amount we are spending on public rangelands is less than one cent per acre per year.

Another field in which greater effort is needed is the control of insect pests. Here in Wyoming, I am told, there is a serious plague of grasshoppers. I can remember it now, as a little boy, my mother telling me about the grasshoppers in Missouri when they ate up everything, even the pitchfork handles. The Federal Government should bear its full share of the cost of overcoming this plague through the excellent Federal-State cooperative program that has been worked out.

In the forests we need to build more roads, so that we can reach the timber and use it.

Along the rivers, we need more sound irrigation projects. In addition, we need other works to control and use the waters of the rivers—from the small creeks and tributaries in the mountains all the way down to the mouths of the main streams.

Minerals must be conserved, too, in the sense that we must take out of the ground all that can economically be extracted, and must increase our exploration for new sources.

Furthermore, we need to go ahead rapidly to conserve our limited water supplies. Out here in the West, water has always been relatively scarce. And as more and more water is put to beneficial use, it is becoming more and more necessary to conserve every

drop. Even in the East, it is becoming obvious that more needs to be done to assure an adequate supply of good water.

The water problem is not only serious for farmers and for cities and towns. In many parts of the country it is also a serious problem for industries. For example, down south of here in Colorado there are huge reserves of oil shale. In the years to come, we may well need to obtain oil from that shale. It will take a lot of water to do that, however, and there is a real question whether there is enough water for that purpose.

This whole problem of limited water supplies and growing water uses, is the reason I appointed a Water Resources Policy Commission earlier this year. I asked some of the best experts I could find to serve on that Commission, including several from the Western States. They are making a thorough study of the facts, and should give us some sound recommendations for our future progress.

Now it is a pitiful thing, that three-quarters of the earth's surface is covered with water, and yet some of the finest land in the world cannot be productive because there is no water to go on it to make things grow. There are places in this United States that have thousands of square miles of the richest land in the world, yet it can't be used. Now, this water survey commission of mine is going to try to work out a plan. You see, New York is short of water, believe it or not. Eastern Texas is short of water, Beaumont, Tex., is short of water, Los Angeles is short of water. There are lots of places short of water, as well as in the reclamation districts, so it is a national problem, which we are going to try to solve. I don't know whether we can do it or not, but we can't be charged with neglect if we try.

As we move forward in our use of resources, we must improve the organization

of the Federal Government so that its part of the development job can be done better and with more effective participation by State and local governments.

There are still reactionary forces that oppose every forwardlooking proposal to develop the resources and increase the prosperity of the West. That philosophy produced Teapot Dome, and that philosophy is not dead yet, by any means.

But these reactionary forces are fighting a losing battle. We have been overcoming their opposition for 17 years. And we are going right on beating them—and I mean that.

Those who are opposing us now are the same ones who said the soil conservation program would regiment the American farmer. A few years back, they asserted that it was socialism for the Government to lend money to farmers to build rural electric lines. They claimed it was a boondoggle to plant shelter belts of trees on the plains.

Now, they're for those things. They admit that these programs have been good for the country. All they want to do now is to prevent any further progress! They are not going to get away with it!

But their past record is clear and plain. And their new arguments are no better than their old ones were.

The American people will continue to go right ahead, taking the practical, sensible steps that are needed to build a better future. We are a strong, free people. We know that to continue free and strong, we must wisely develop and use the resources with which nature has endowed us.

The money we spend for effective conservation work is a sound investment in better living for ourselves and our children. We will not be dismayed by those who say the cost of such investments is too great. The

cost of not making them would be far greater. We cannot afford to slacken our efforts, for this is work which is vital to our future.

Today, more than ever before, we can see how important it is to take these steps to develop our resources. We are engaged in a worldwide struggle to bring lasting peace to the world. In that struggle we are being opposed by a cynical imperialism which asserts that freedom and democracy are soft and incapable of strong action.

We can prove how false, how hollow, are the claims of communism. But we can prove that only by deeds. We must demonstrate that our free country, along with other free countries, can achieve strength, prosperity, and growing welfare for all our people.

To do so, we must continue to move forward in our use of natural resources. We must not permit any backsliding toward the old philosophy of private greed and the public be damned. We must continue to look upon our resources as a public trust, to be preserved and increased as the physical basis for a growing future.

In the tremendous conflict that exists in the world today, our fundamental strength is our belief in the worth of the individual, under God. Our whole democratic tradition rests on our faith that free men, working together in cooperation, can achieve justice and well-being for themselves and for one another.

In that faith, we shall move forward on the path of freedom and peace.

NOTE: The President spoke at 9:08 a.m. in the high school auditorium in Casper, Wyo. In his opening words the President referred to Governor Arthur Griswold Crane of Wyoming, Senator Joseph C. O'Mahoney of Wyoming, and Harrison Brewer, general chairman of the occasion. In the course of his remarks he referred to Andrew Kortess for whom the Kortess Dam was named.

117 Rear Platform Remarks in Wyoming.

May 9, 1950

[1.] WENDOVER, WYOMING (12:27 p.m.)

I am going to tell you a story about Wyoming. I had a most wonderful meeting in Casper this morning. Your Governor was there as host for the State of Wyoming. My good friend Joe O'Mahoney introduced me. Joe is one of the real Senators, who knows what it's all about. It was a pleasure for me to have him introduce me. I served in the Senate for a long time with Joe, and I know him. He's all right.

It is always good to come back out West, especially at this time of year. One reason I like Wyoming is the fact that you have a long tradition of really forward-looking, progressive legislation. Wyoming, as you certainly know, was the first State to give women the right to vote. And you had a woman Governor, who now runs the Mint of the United States; and every time I see her—and she is on this train—I ask her if she brought me a bag full of money. She never has.

Can you imagine what some of the stuffy reactionary easterners had to say about the fact that you had woman suffrage out here? Listen—listen to this—you will like this—you will want to remember it. The editor of a prominent magazine published in New York said about Wyoming, when you gave women the right to vote—now this is a quote: "This unblushing female socialism defies alike the apostles and prophets." The editor said, "Nothing could be more anti-biblical than letting women vote."

So you see that the cry of socialism is as old as the hills. They used it against woman suffrage, against the Federal Reserve Act, against social security, and they are trying to use it again today, but I know you are not

going to let them fool you, any more than they fooled you when the State of Wyoming brought about woman suffrage as a pioneer in the United States.

Now every woman in every State can vote, and the country is much better off for that reason.

But the old fogies didn't think so, and there are still old fogies whenever you start anything new, I don't care what it is. You will find some people who think we had better stay with things as they are.

Just a few days ago, I have been having press conferences in my office, and it is an oval room—it is kind of circular, and it is stuffy and you can't hear; and when you get in two or three hundred men in there, the fellows in the back row can't see me and they can't hear what is going on.

So I decided to set up a place to hold press conferences where all the boys could sit down and make their notes, and they could see me and they could hear what I had to say, and I could find out who was asking the question.

And you know—some of them were just exactly like the old fogies who were opposed to woman suffrage, they didn't want to do it, they said it wasn't any good.

Well, we tried it twice, and I don't think they will want to change back. So progress has to be made by people who can see forward, who can look forward and see what the results can be if some slight change is made in the status quo. That is what the people who are looking forward to the welfare of the United States stand for. And I am out here, going across the United States—and I will go almost all the way across from Washington to Grand Coulee Dam and back again—trying to tell the people that I be-

lieve in change when it is for the welfare of all the people.

I am going to keep right on working for better houses, better schools, a better educational program, better labor and social security laws, and I don't intend to be scared away by anybody who calls that program socialism.

I always look back and think that what I am trying to do is no more socialistic than was woman suffrage in Wyoming when you passed it.

Thank you very much.

[2.] CHEYENNE, WYOMING (Address, 4:15 p.m., see Item 118.)

[3.] LARAMIE, WYOMING (Address, 7 p.m., see Item 119.)

[4.] RAWLINS, WYOMING (9:48 p.m.)

Thank you very much. I have always enjoyed my visits to this section of the country. I have had a wonderful day today. I started in Casper, Wendover, Cheyenne, and Laramie. The Governor of Wyoming and Senator O'Mahoney met me in Casper, and I was highly pleased and gratified that those two gentlemen were there. I have had a great day. I like your scenery. I appreciate your hospitality more than I do your scenery. I was in Rawlins 2 years ago, late on Sunday evening, and I am glad to be back again. At that time I could not make you a speech because it was Sunday.

I am sorry I will not be able to visit your great project to the northeast, the Kortes Dam, which we dedicated this morning in Casper. The people of Carbon County have reason to be proud of this dam. Kortes and Seminoe Dams will soon be furnishing power to this whole section—enough power for real industrial expansion.

Of course, these dams won't benefit just industry, they will help everybody—those of you in cities, and those of you who live on ranches.

For a long time this State has been great livestock country. It produces an important part of the Nation's supply of meat, wool, and leather. And I have an idea that your livestock industry is going to be even more important in the future than it has been in the past. We had steaks tonight for dinner, and the Senator assured me that they were Wyoming steaks. I think they came from Kansas City.

Compared with the people of other countries, we Americans have good diets. But there is still room for improvement. The main thing we need for that purpose is more livestock products.

I am confident that the farmers and ranchers of Wyoming want to produce the abundance of livestock that we need. That is evident not only from the emphasis on sheep and cattle that has been traditional out here, but also from your progress in water and range conservation.

Now I started yesterday at Lincoln, Nebr., on what I think is an economic program for this section of the country, from the Appalachian Mountains to the Pacific coast; and if you will pay close attention to the speeches which I delivered across the great State of Iowa and in Lincoln, Nebr., and this morning in Casper and Cheyenne, and at Laramie tonight, you will find just exactly what I think is necessary to continue this country as the greatest Republic in the history of the world.

You people in this area naturally have a particular interest in sheep and wool. In wool production, Wyoming ranks at or very near the top among the 48 States. I know that when the war came along, you had a terrific wool problem. You were helped out of that situation by the Government pur-

chase program for wool. If you will think back, you will remember that in those days wool growers had virtually nobody except the Government to sell to.

The Government-owned stocks of wool are now down to about 20 million pounds. Three years ago they totaled more than 500 million pounds. Now I want to point out that these stocks were disposed of in trade channels and in such a way as to protect domestic wool prices.

Last year, the Congress passed new legislation that strengthened the wool program. Under this program, we have set the support level for wool at the maximum, 90 percent of parity. We are going to keep on making

whatever efforts are necessary to give the wool growers of this country a really workable program.

This is part of our objective to build a strong and prosperous United States of America, so that we can preserve our own freedom and help to strengthen the cause of freedom all over the world.

It has been a real pleasure to visit with you here in Rawlins, and I hope to come back before very long on a political trip. This is a nonpolitical trip.

NOTE: In the course of his remarks on May 9 the President referred to Arthur Griswold Crane, Governor of Wyoming, Joseph C. O'Mahoney, Senator from Wyoming, and Mrs. Nellie Tayloe Ross, Director of the Mint.

118 Address in Cheyenne, Wyoming.

May 9, 1950

Governor Crane, Senator O'Mahoney, Mr. Mayor, distinguished guests, and ladies and gentlemen:

It is a real pleasure to be back here in Cheyenne again. When I was here before, it was on a Sunday, and I didn't get a chance to talk with you. You gave me a hat, which was a grand hat, and I have still got it, and I still wear it.

I am more than pleased at the cordial reception which I have received in the great State of Wyoming. I appreciate most sincerely the courtesy of your Governor in coming to Casper to meet me, and escorting me up here to the Capitol Building.

I am most happy, of course, to see Senator Joe O'Mahoney. He and I served in the Senate. I was there for 10 years, but he was there sometime before and has been there since.

And I also have two public servants on the staff of the Government of the United States whose homes are in Cheyenne; that is, Dr. Clark who is on the Economic Advisory

Board, and Mrs. Ross who makes all the hard money that is circulated in the United States—the Director of the Mint. They are both fine people, and both good public servants.

The last time I was here was in June of 1948. You most kindly invited me to come back for your famous "Frontier Days" celebration.

Someday I'd like to come back to the old "Frontier Days." I have been hearing about your celebration for many, many years. But my schedule never seems to come out just right for that purpose.

Nevertheless, the spirit of the frontier is exactly what I want to talk to you about today.

Some people believe that the American frontier vanished forever when the 48th State came into the Union.

That is nonsense.

There are still frontier days.

This Nation has never stopped growing in wealth and strength. It has never

stopped finding new horizons of invention, technology, and production. It has never stopped blazing trails in finding better ways to use our resources for the well-being of all the people. These are today's frontiers.

There are some people who don't believe there are frontiers yet to be conquered. While I was on the Appropriations Committee of the Senate, we were hearing a certain appropriation for the Patent Office, and we ran across a document in the Senate files where the Commissioner of Patents in 1843 had made the statement that the Patent Office should be abolished because there wasn't anything more to be invented. The greatest inventions of the age have been patented since then. We have got a lot of people like that still alive.

And today's frontiers call for the same pioneering vision, the same resourcefulness, the same courage that were displayed by the men and women who challenged our geographical frontiers a century ago.

We proved in war that we have lost none of our strength and courage. We are proving again, since the war, that this country still moves boldly toward the future. Our peacetime production and our standards of living are moving toward new high levels. And we are thinking and planning for steady development and improvement.

Our watchword is not "holding our own."

Our watchwords are "growth," "expansion," "progress."

This is because there are now, as there have always been, more Americans who look ahead toward the broad horizon than who look backward toward times and places left behind.

A steady growth in the standards of living of the American people is a goal well within our ability to attain. There are some who still look upon the goal of an ever-expanding economy as a pipedream. They

still believe in the inevitability of boom-and-bust.

They are still living among those in the past. This country used to have a boom-and-bust economy. You can think back a little over 20 years and recall when the last big bust took place.

But that disaster taught this country a great lesson. We learned from that experience that we cannot leave the forces of a huge and complicated economy to take care of themselves.

We learned then that the people had to use their Government as a means of mobilizing the resources of the whole country to restore the economy and start it moving upward again.

That same lesson about the role of government still applies today. The people, using their Government as an agent, found the means to lick that depression. Now we are employing the same means of well-designed Government programs to help strengthen and steadily expand the national economy.

Earlier today, at Casper, I talked about one kind of governmental activity by which we are creating new frontiers of opportunity every month and every year. This is the conservation and full use of our natural resources.

The opportunities that can be created through the development of our natural resources are immeasurable. Our rivers, our soil, our forests, our minerals can form the physical base for a steady expansion of real incomes and living standards, if they are developed and used in the right way.

This afternoon, I want to talk about another kind of activity through which we can create new frontiers of opportunity.

This is the program to stimulate and strengthen small business which I recommended to Congress last week.

Small and independent businesses are im-

portant to the growth of the economy. They are a constant source of new ideas. They are a constant source of new jobs.

New businesses are also important to the health of the economy. In their effort to grow by serving consumers better, they provide the vigorous competition which is the heart of our private enterprise system.

Every one of you knows somebody who has had a new idea and has built it into a business. He has not only made money, but his business has also provided jobs and income for the whole community in which he lives.

Our country has been made great by the boldness, the daring, and the inventive genius of the men like that. Our Nation would suffer a slow decay if men with ideas did not have every opportunity to build new businesses and create new wealth.

The task of economic expansion requires using all the resources of this great Nation. Of the nearly 4 million business concerns in our country, more than 90 percent are usually classified as small. These small concerns provide jobs for over 20 million people—roughly half of private, nonfarm employment. If we are to have an expanding economy, small business must provide its share of the additional jobs needed. In doing so, it will not only create new payrolls for workers; it will also enlarge markets generally for other businesses and for farmers.

We need big business in this country as well as small business, of course. We all benefit from the tremendous output at low cost of large, efficient enterprises. But the stimulus of new and vigorous competitors is necessary to keep the old enterprises efficient, and to bring the greatest benefit to consumers and to the public.

Since the passage of the Sherman Antitrust Act 60 years ago, we have sought to keep monopoly from stifling the growth of

new business. The effectiveness of the antitrust laws has varied over the years with changes in our national administration. Right now, the antitrust laws are being enforced as actively as at any time in our history. But at their very best, they are only a limited and a negative approach.

We will keep on using the antitrust laws and will enforce them vigorously, of course.

But we must supplement that approach—and we must act soon—with measures which will challenge the power of monopoly, not in the courts but in the marketplace. The force of vigorous, effective competition is the best way in the world to prevent monopoly. If the man with new ideas has a fair chance to put his product on the market, the buyer will do the rest. We must, therefore, take measures to assist the man with new ideas, the small enterpriser, as he starts out to challenge large, powerful, and established competitors.

The recommendations I have made to the Congress rest upon three simple principles. They are that the small businessman needs long-term credit; he needs venture capital; he needs technical assistance.

These things are needed so that the independent businessman can do more for himself. They do not involve Government controls. They will cost the Federal Government very little money.

What they will do is to give the man who wants to be his own boss a better chance to use his own initiative and energy.

In the field of credit, I propose that we should insure bank loans to small businesses, such as drugstores, filling stations, retail stores. The local banks would decide whether or not to make the loan in each case and would share some of the risk. But on the major part of the loan the bank would be insured against loss. This means that banks will be able to make safely, good loans which they now find too risky.

Thus, bankers would be able to give greater consideration to the human element in deciding whether or not to help a hometown businessman pull through a tight place. They wouldn't have to be quite so hard boiled in demanding gilt-edged collateral.

You know, a lot of people say, when they find out what kind of collateral they have to put up for a loan at the bank, that if they had that kind of collateral they wouldn't have needed a loan in the first place.

Now, I don't think bankers act like that just because they want to be mean. It's because they have to be careful. This insurance would make it possible for them to do what they would like to have been doing all the time.

This proposal is similar to the insurance that has been provided for years under Title I of the National Housing Act for home improvement loans. In that case it has helped the banks, helped the home owners, and the Government has made money from it. I think it will work just as well for small business loans.

Furthermore, I propose that special investment companies be set up to make venture capital and long-term loans available to help small businesses expand when they have proved their ability. This would provide a way to pool the savings of people who cannot individually make such investments, but who can, through investment companies, put their savings to work in growing businesses.

This proposal is generally the same as that incorporated in a bill introduced several months ago by your fellow townsman, and my good friend, Senator Joe O'Mahoney.

In addition, I propose that the Reconstruction Finance Corporation be given broader authority to handle cases which offer a good chance of success but cannot obtain private financing on reasonable terms.

These credit proposals are designed to make banks and other private sources of funds more effective in meeting the needs of small and growing businesses. They have been proposed by bankers and other private citizens who understand the problems of the small businessman. I hope the Congress will soon enact these provisions into law.

In the field of technical assistance, small businessmen are often at a serious disadvantage. They cannot afford to hire specialists and put them on their payrolls to keep up with the latest developments in accounting and management. They find it difficult to learn about the latest research developments that affect their businesses.

Under these circumstances, I propose that the Department of Commerce should expand the work it now does in providing technical and research assistance to small business. Thus, we would provide independent businessmen with the same kind of research assistance and skilled advice which we have provided successfully to the farmers for many years.

At the same time, I propose that we should make the Department of Commerce the central Government agency for small business, as well as other business, just as the Department of Agriculture is the central agency for all farm activities. This would mean that the independent businessman could go to one place and obtain the advice and the services that he needs.

These proposals to help small business to obtain credit, risk capital, and technical assistance should do much to increase effective competition. They should result in more independent enterprises, striving more effectively to provide goods and services that the people need. As such, I believe these proposals will contribute to the strength and stable growth of the whole country.

I suppose it is inevitable that this small

business program will meet with determined opposition. Those who fear the rise of new competitors will not be slow in imagining danger to their privileged positions. They will hide their selfish alarm by attacking what they call "Government interference" with the economic system.

But the Government is only an instrument in the hands of the people, an instrument we use to help maintain a free, competitive and expanding economy. This is the kind of economy that everybody wants.

More abundance for everyone, without the dismal cycle of boom-and-bust, is something that this Nation can have, and is something the Nation must have. To bring it about demands dynamic private enterprise, and it

demands also a dynamic Government program, too.

All of us, working together, can build a strong and prosperous America. And keeping our own Nation prosperous and strong is the best assurance that our struggle for prosperity, peace, and freedom in the world will end in victory.

Thank you very much.

NOTE: The President spoke at 4:15 p.m. from a platform erected near the train station. In his opening words he referred to Governor Arthur Griswold Crane of Wyoming, Senator Joseph C. O'Mahoney of Wyoming, and Mayor Ben Nelson of Cheyenne. In the course of his remarks he referred to Dr. John D. Clark, Vice Chairman of the Council of Economic Advisers, and Mrs. Nellie Tayloe Ross, Director of the Mint.

119 Address in Laramie, Wyoming.

May 9, 1950

Senator O'Mahoney, Dr. Humphrey, distinguished guests, and ladies and gentlemen:

I appreciate very much that introduction, and I endorse every word the doctor said about Senator O'Mahoney. I think that way myself, and I know what I am talking about, because I served 10 years in the Senate with O'Mahoney, and I know that he can do it.

I am more than happy to be here tonight. You know, I am really partial to land grant colleges.

It is always a pleasure to visit Laramie, a landmark of the *old* West. It is a particular pleasure to speak here at the University of Wyoming, a symbol of the *new* West.

The West exerts a strong influence on the imagination of all of us—of all Americans, in fact. The stirring drama of the opening of the West is a part of our national folklore. And there isn't a thing like it in the history of the world anywhere.

I have a collection of booklets and pamphlets on the opening of the West about—

oh, I suppose I have a hundred of them. The Congressman from North Dakota is a specialist in that line and he has a library of 35,000 books and pamphlets on the opening of the West. It is the most interesting story you can read anywhere, and I am filled with them.

It is a tradition that the West is a country of great distances and of isolated communities, of many days of travel between cities. That tradition has left a deep impression on all Americans.

It had much to do, I think, with the notion that many of us once held in the United States, that the United States was a vast distance away from foreign neighbors—that our Nation was an isolated community separated by days of travel from the other communities on the globe.

You know how the West has shrunk. Distances seem to have been wiped out by a network of railroads and highways, and now by the huge airliners that cross the

entire Nation in less time than it used to take to cross a single county.

My grandfather used to run a wagon train from Westport—Kansas City now—out to Salt Lake City, and it would take him 3 months to get there and 3 months to get back. The last time I made that trip, I made it in 3½ hours. So you see the difference.

The world's distances have likewise shrunk. To put Laramie in its right perspective, you should erect signboards in the center of town to read like this: one pointing east that says, "London, 30 hours"—one pointing west that says, "Shanghai, 44 hours"—one pointing south that says, "Santiago, 35 hours"—and one pointing north—listen to this, because it is important—one pointing north that says, "Moscow, 45 hours."

These are the normal flight times of commercial airliners.

There are military planes that fly even faster. We have military planes that can halve that time and do better.

It took two world wars to bring home to us the fact that world distances have disappeared. We are next-door neighbors now to people in other countries who once were scarcely more than names to us. We have become citizens of a larger community—we are citizens of the world.

It is the great problem—and the great challenge of our age—that strangers have become fellow citizens at a time when the world is so deeply divided. We have been forced into a common citizenship with peoples who do not understand our conception of democratic life. We must recognize—whether we like it or not—that we are neighbors with a government which denies all the values of American tradition, indeed all the ethical and moral traditions, and which seeks to spread its doctrine over the entire earth. We have become neighbors of a new and terrible tyranny.

Tyranny is not new in the world. As long as democracy has existed, tyranny has also existed. But never before has it been so difficult for tyranny and democracy to find a basis for peaceful coexistence.

There are two reasons for this. The first reason I have already mentioned—the elimination of distances. Where once we could ignore a far-off tyranny, there no longer are far-off places on this earth. Today, everybody on the globe is our neighbor.

The second reason is that this new tyranny of Soviet communism is giving no evidence that it is willing to let the free world exist peacefully. Communism has clearly shown its purpose to penetrate free countries, to divide free peoples and confuse them, to subvert their institutions, and to weaken their resistance. This is a method of attack far more subtle than the ancient and direct method of military attack. It requires more understanding, more alertness, and more determination on the part of those who want to preserve their freedom.

How do we meet this overriding problem—the most important one of our time?

I will tell you two things we cannot do.

First, we cannot compromise our own moral or ethical beliefs. We know, as our ancestors knew, that tyranny is evil. We know that this newest form of tyranny is a compound of evils. Communism denies all that we have come to know as democracy. It denies freedom and liberty and human dignity. It denies God. We cannot meet the challenge by any form of compromise with any such beliefs.

Second, we cannot isolate ourselves. The leadership of the free world, the hopes of millions of people who have not our strength and our resources, depend upon us. But even if we could forget our friends, we know that there is no salvation even for ourselves in any passive policy of withdrawal. If we permitted communism to engulf the rest of

the world and to roll up to our borders, there would be no peace and there would be no security for us.

We cannot compromise our principles.

We cannot withdraw from the world.

Now, what *can* we do? What can we do?

We can do this: We can, together with other nations of the free world, clearly demonstrate the superiority of the ideals of freedom over the iron hand of tyranny. We can make clear that democracy and freedom bring to each individual, each day, more of what he wants than any other system of government.

The free world must demonstrate moral superiority. It must demonstrate material superiority.

The free world has the resources to make that demonstration. It has the tremendous advantage that always adheres to the cause of justice, liberty, and respect for human dignity. With leadership, with unity, with steadfastness, that demonstration of moral and material superiority can be made.

As the strength and the effectiveness of the system of freedom are made clear over the globe—as the peoples who now stand in doubt turn to democracy—the danger of communist domination will dwindle and it will finally disappear. The struggle for peace, security, and stability in world affairs can be won.

I can't emphasize that too much. This is a long-time project. This is not something that you can talk about today and do tomorrow. I know that the American people are impatient. We always want to get things done, right now. That is a good idea. But this is one thing we can't do right now, but in this instance we must be more than patient.

The conflict that exists in world affairs will be with us for a long, long time. There is no quick way, no easy way, to end it.

In all our relations with other nations, we

are following a consistent and forthright policy to strengthen the cause of freedom and bring about stability and peace in world affairs.

We are working, first of all, for unity among the nations. The foremost expression of our will for unity is our work within the United Nations. The United Nations was created on our soil. I was in San Francisco when the United Nations Charter was signed by all those Nations. Its headquarters are in New York City, in this country. We have worked unceasingly to make the United Nations, and its affiliated organizations, strong and effective agencies of peace and international cooperation.

We have done our best to settle—through the United Nations—some of the difficulties in the world today. You know the record. You know of the vetoes. You know that the failures in the United Nations cannot be laid to any lack of good faith on our part or any lack of our trying to do what was right.

In spite of all difficulties, the United Nations has done—and is continuing to do—work of tremendous value in helping the nations of the world to get along with one another and to solve their common problems. This work must continue—and it will continue.

As long as I am President of the United States, we shall support the United Nations with every means at our command.

Within the larger framework of the United Nations, we have joined the countries of Western Europe in a great combined effort to assure their economic recovery and political stability.

The decisive vote of 60 to 8 by which the Senate a few days ago approved the Foreign Assistance Act of 1950, is a forceful expression of the determination of the American people to carry forward our constructive foreign policy. This action by the Senate, following a large favorable vote by the House

of Representatives, assures our partners in Western Europe that we will successfully complete the great recovery program that was launched 2 years ago.

To promote international peace and security in vital areas, we joined first with the other republics in North and South America in the Treaty of Rio de Janeiro, and then with Canada and ten European nations in the North Atlantic Treaty. Through the Mutual Defense Assistance Program, we have joined with a number of free nations to strengthen our common military defense against aggression.

Secretary Acheson is now in Europe working out a number of problems with our partners in the North Atlantic Treaty. In this work that means so much to the peace of the world, I know that he has the confidence and the support of the vast majority of the American people.

In the former enemy countries of Germany and Japan, we have been working to restore them to the society of free nations as rapidly as they can build firm and reliable democratic institutions.

Our efforts in Germany have been delayed by attempts of the Soviet Union to turn Germany into another Communist satellite. Nevertheless, Western Germany has made great progress along the road toward democracy. We believe that the Germans will continue to build upon those elements in their traditions which are good. We want Germany to become more closely integrated with the free nations of Europe.

In Japan, we have also seen encouraging progress. The Japanese people, who have not had the same long familiarity with democratic ideals, are, nonetheless, learning the ways of democracy. They are rebuilding their economy along more democratic lines. In one field after another, the Japanese are reestablishing their contacts with the rest

of the world in preparation for a resumption of full membership in the international community.

Elsewhere in Asia, we are encouraging the aspirations of the millions of people who are striving to establish new democratic governments. In this part of the world, we have witnessed since the end of the war a tremendous event in history—the birth of a great group of new nations—India, Pakistan, Burma, Ceylon, Indonesia, South Korea, and the Philippines. These new nations are now consolidating their independence and working out their problems of internal security and stability.

We welcome these new countries into the family of nations. We can—and shall—continue to give them support, material as well as moral, in their struggle to maintain their freedom.

The credit of \$100 million to the United States of Indonesia is one type of material aid. Another type is the technical assistance we shall make available to underdeveloped countries under the program that has become known as point 4. This was approved by the Senate last week after earlier authorization by the House. Point 4 provides an example of broad-scale collective action on the part of many countries to bring the benefit of better living conditions to millions of individuals who are now suffering from ill health, illiteracy, and poverty. The point 4 program is one of the greatest contributions we can make to the cause of freedom.

While our support of the new nations of Asia has been of real benefit to them, we have recently been unable to be of any assistance at all to the people of one vast area—China. Since the Chinese National Government disintegrated and the Chinese Communists seized control on the mainland, the plight of hundreds of millions of Chinese has been tragic. Their new taskmasters

have been heartlessly indifferent to the worst famine which has occurred in China in 100 years.

We have been working for some time on steps which our country might take to feed at least some of these stricken people. The attitude of the present authorities in China has forced the withdrawal of American official representatives from that country. However, there are still a number of American religious, educational, and charitable organizations which have representatives in China who might be able to help out. We are now trying to find a way for the Government to get food into the hands of these private agencies for distribution in China.

We do not know whether American private organizations will be permitted by the Chinese Communist authorities to provide this assistance. The Communists so far have tried to deny the existence of a famine. They have rebuffed efforts of others to discover the facts. They have even sent to the Soviet Union food which is desperately needed by the Chinese people. Nevertheless, we shall keep on trying to find ways to get some food to those starving Chinese people.

In Asia, and in the rest of the world, we are trying to do far more than to bring relief to people who are in want. We are working, by every means at our command, to build the kind of world community in which nations can be self-sustaining over the long run by their own efforts. This is of great importance, because there can never be political stability and peace unless there is a reasonable degree of economic stability and prosperity.

Our world economic policies are aimed at breaking down the barriers to world trade. We believe that a high level of trade can raise standards of living in our own country and in every other country in the world.

This is the purpose of our reciprocal trade agreements program, and it is the purpose of the proposed International Trade Organization. And I sincerely hope that the 81st Congress will approve that international trade organization treaty.

Our economic policies are also aimed at increasing the international flow of investment capital. The industrial growth of underdeveloped areas will mean more production, better markets, and a stronger world economy.

All our international policies, taken together, form a program designed to strengthen and unite the free world in its resistance to the spread of communism. They are aimed at banding the free countries together in a great demonstration that the free way of life is more rewarding to the individual than any form of tyranny, old or new.

I say again that we have a long task ahead. It may be many years before we can be sure that communism is no longer a threat, that our goals of stability and peace have been attained.

But those goals are clearly within our reach. The non-Communist nations together have two-thirds of the world's people and three-fourths of the world's productive power.

And we have much more than mere quantity and mere strength. We have the greatest attraction of all—we have human freedom. Our system of life satisfies the most fundamental desire of man—the opportunity to be his own master.

We can have faith that with these qualities, and with the help of Almighty God, we will attain a just and lasting peace throughout the world.

I have enjoyed immensely talking with you here tonight. You know, I never had the opportunity to go to college. You young

men and women should feel very lucky that you have this chance to learn and to grow in your college years. I hope you will all make the most of your opportunities here to fit yourselves to be good citizens of the United States, the greatest Republic the world has ever seen, the greatest country that the sun ever shone on, a country which you young people are going to have to take over before you know it, a country which you can keep

on making the greatest country in the world. It will soon be your responsibility to see that this country follows the policies that will lead to freedom and to peace. God bless you.

NOTE: The President spoke at 7 p.m. in the University of Wyoming Auditorium at Laramie. In his opening words he referred to Senator Joseph C. O'Mahoney of Wyoming, and Dr. George Duke Humphrey, president of the University.

120 Statement by the President Upon Signing Bill Creating the National Science Foundation. *May 10, 1950*

I HAVE today signed S. 247, an act creating the National Science Foundation.

The Foundation will be an independent agency, in the executive branch of the Government, headed by a National Science Board and a Director. It will be the function of the Foundation to develop a national policy for the promotion of basic research and education in the sciences. The Foundation will initiate and support basic research in the physical, biological, engineering, and other sciences. It will also grant scholarships and graduate fellowships in the sciences, and in other ways encourage scientific progress in this country.

The establishment of the National Science Foundation is a major landmark in the history of science in the United States. Its establishment climaxes 5 years of effort on the part of the executive branch, the Congress, and leading private citizens. Three months after I assumed the Presidency in 1945, I received a report from Dr. Vannevar Bush and his colleagues, entitled "Science, the Endless Frontier." That report recommended the creation of an agency, such as the National Science Foundation, to promote the development of new scientific knowledge and new scientific talent. It was assumed at that time that the world was close to an

enduring peace. The Foundation was to be an instrument in promoting reconstruction, and in maintaining our wartime momentum in scientific progress.

The fact that the world has not found post-war security in no way lessens the need for the National Science Foundation. On the contrary, it underscores this need.

We have come to know that our ability to survive and grow as a Nation depends to a very large degree upon our scientific progress. Moreover, it is not enough simply to keep abreast of the rest of the world in scientific matters. We must maintain our leadership. The National Science Foundation will stimulate basic research and education in nearly every branch of science, and thereby add to the supply of knowledge which is indispensable to our continued growth, prosperity, and security.

During the period that the National Science Foundation has been under consideration, there has never been any significant disagreement concerning the objective to be sought. Some differences of opinion have arisen concerning the means which should be employed in carrying the program forward. I was obliged to disapprove a bill which was passed by the 80th Congress in 1947, because it contained features which

were undesirable from the standpoint of public policy and unworkable from the standpoint of administration. However, on that occasion I expressed my deep regret at the necessity of disapproving the bill, and I urged reconsideration by the Congress.

The present measure has satisfactorily met the objections which I expressed to the earlier bill. I appreciate the fact that members of both parties in the Senate and in the House of Representatives have worked unselfishly to reconcile divergent views concerning the organization of the Foundation and its relationship to the executive and legislative branches of the Government.

The Nation's strength is being tested today on many fronts. The National Science Foundation faces a great challenge to advance basic scientific research and to develop a national research policy. Its work should have the complete support of the American people.

NOTE: As enacted, S. 247 is Public Law 507, 81st Congress (64 Stat. 149).

The report, "Science, the Endless Frontier" (Government Printing Office, 1945) was prepared at the request of President Roosevelt and was submitted to President Truman by Dr. Vannevar Bush, Director of the Office of Scientific Research and Development. The report was reissued in 1960 by the National Science Foundation as part of the observance of its 10th anniversary.

121 Rear Platform and Other Informal Remarks in Idaho, Oregon, and Washington. *May 10, 1950*

[1.] POCATELLO, IDAHO (Rear platform, 6 a.m.)

When I was here in 1948, along about early in the morning, I think it was 7:50, I remember they told me there wouldn't be anybody up; and they were darn sure there wouldn't be anybody up this morning, but you fooled them—and you fooled me, too. I don't mind telling you. You may have heard I am an early riser. I get up early every day—ask these photographers and newsmen about that. I am used to tackling problems no matter what time it is.

This morning, even though it is only 6 o'clock, I want to talk to you about the greatest scientific discovery of the century—or in history, in fact: atomic energy.

The first atomic explosion in history took place down in the deserts of New Mexico in July 1945. I was in Potsdam and had been in conference with Winston Churchill and Joe Stalin, and we had been discussing world peace programs.

When this notice came to me that the atomic explosions had taken place, I called a meeting of our military advisers—General Marshall, General Eisenhower, General Bradley, General Patton, Admiral Nimitz, Admiral King, and several other able and distinguished gentlemen, including the Secretary of State and the Secretary of War at that time—and we discussed the situation and how we should approach the use of it.

And I informed those gentlemen at that time that I would do my utmost to see that this new discovery was used in a way that would make the world a better place in which to live.

I have been working at that ever since.

I had to issue the order for the dropping of the first two atomic bombs on our enemies. And I made that order after due consideration and in conference with all our military leaders. When they informed me that the landings in Japan would probably cost the lives of 200,000 of the cream of our American soldiers and sailors, I made up my mind that

the best way to save the lives of those young men—and the best way to save the lives of the Japanese soldiers, also—was to drop those bombs and end the war.

And I did it. And I will tell you I would do it again if I have to.

We have been making real progress in putting atomic energy to work. Already, atomic research has led to important discoveries in medicine, and there is real promise that it will lead to much better grains and livestock on our farms.

Up in Arco the Atomic Energy Commission is now constructing a reactor testing station. From the knowledge we gain there it should be possible to develop machines to generate useful power to drive ships and airplanes.

You know, nearly all the destructive weapons that have been discovered in times past have eventually been put to use for peacetime purposes. Now, if we are not ingenious enough and have not the sense to do that same thing with the most awful release of the atom, then I am here to tell you that we probably ought to be destroyed. And I am here to say to you that we are not going to be destroyed, we are going to use this great energy for the welfare and benefit of the human race and not for its destruction.

Arco is a truly cooperative venture. It represents the combined efforts of the Atomic Energy Commission, private industry, and universities and research institutions from coast to coast. We are pooling all the resources we have in this great undertaking to harness atomic energy for the beneficial use of mankind.

Throughout our history, scientists and scientific knowledge have contributed to our progress as a Nation. If you want to keep up that progress, we need to stimulate scientific discovery and research, and train more

young men and women for our laboratories and research centers.

To carry out these objectives, I have just signed the National Science Foundation Act of 1950. This act is of tremendous importance, because it will add to our knowledge in every branch of science.

I am confident that it will help us to develop the best scientific brains in the Nation. It will enable the United States to maintain its leadership in scientific matters, and to exert a more vital force for peace.

Whatever the future may hold, we must bend every effort toward our major objective, and that major objective is world peace and the welfare of all mankind, no matter what his race, creed, or color may be, no matter what part of the world he may live in.

Now I am making this trip around all over the United States to report to you as the President of the United States. I came out here in 1948 asking you for votes. I am back here now, as President of the United States, not running for any office but to report to you as I report to the Congress every year under the Constitution. I am making to you personally and giving to you personally a message on the state of the Union and what goes on, and what I believe, and what I am trying to do.

And if I tell it to you, it can't be garbled, because when you hear me talk nobody can transfer those remarks to mean something else.

When I come along later in the season, we will do a little "politicking." But right now I am reporting to the Nation on its condition, on what it needs, and what I hope I can give it for its welfare and benefit, on what I hope to contribute to world peace, and what I hope to obtain for—as I said a minute ago—the welfare of all mankind.

I can't tell you how very much I appreci-

ate this early turnout. It is surprising to everybody—I think it is surprising to yourselves, but I appreciate it most highly.

[2.] SHOSHONE, IDAHO (Rear platform, 8 a.m.)

I got up rather early this morning and had a meeting at Pocatello at 6 o'clock, and I never expected to see that many people out at that time of day. And here it is 8 o'clock in this great city, and more than ever am I surprised—and agreeably surprised. And this will surprise some of my reporter friends, too, who are along with me.

I am glad to be in Shoshone, in this rich farming section of the Snake River Valley. I want to talk to you this morning about one of Idaho's great crops, potatoes.

I was up in Maine in the middle of the war, along about 1943, inspecting an airbase at Presque Isle, and they were telling me about a boy from Idaho, a private in the Air Force there, that had been sent to the guardhouse because he refused to peel Maine potatoes. Of course, I didn't blame him much.

Idaho has good reason to be proud of its potatoes. Your growers have done a fine job of growing high quality potatoes, and marketing them in an efficient manner.

The potato growers of Idaho and other States have been attacked a lot in recent months. There has been so much discussion all over the country about the potato situation, and so much false information about it, that I want to give you the facts.

First of all, it is certainly not right to make the potato growers "whipping boys" for the costly potato surplus when basically the trouble is due to the laws which were passed back in 1947 and 1948. They provided potatoes with a mandatory support price, but they gave no effective production and mar-

keting controls. Instead, Congress said, "Try price supports without controls; give them a trial run."

Well, that is exactly what we have done for 2 years, and you know the result. I tried to get that changed just a short time ago and did not succeed in getting it done. It is just as we warned against.

The Government has been required by law to buy millions of bushels of potatoes in order to maintain prices, and most of the potatoes bought by the Government have had to be disposed of for uneconomical uses, wasting millions of dollars. That sort of program is not in the farmer's interest, it is not in the Nation's interest. It can lead to public repudiation of the whole farm price-support program.

That is why the Secretary of Agriculture has pleaded with Congress to change the price-support laws on potatoes so that we could control production and marketing more adequately and thus avoid these big surpluses. Most of that surplus, of course, has to be destroyed. You can't safely drive a wagon or a car without a brake.

The Congress has recently passed a law providing that support prices shall not be in effect for potatoes after this year's crop, unless marketing quotas are also in effect. But marketing quotas for potatoes are not permitted under the present law. This is obviously only a partial solution.

I have been urging the Congress to authorize both marketing quotas and direct production payments, in order to support potato prices without accumulating wasteful surpluses. This will bring a fair return to the farmers and at the same time benefit the consumers and the taxpayers.

I hope you people of Idaho will rise up and demand that such action be taken by Congress. It is certainly in your interest to do

so. You see, the situation as it developed is such that they could make a great big "buga-boo" out of potatoes. They are doing it with the idea of discrediting the whole farm program of the administration.

Now it is to your interest to see that we get the farm program which we are trying to get and which will work not only in your interest but in the interests of everybody in the United States—all farmers everywhere, not only the potato growers, but wheat growers and cotton growers and tobacco growers, and everybody else. I have been fighting for that ever since January 1, 1949. And if you will read my Message on the State of the Union in January 1949, you will see there that I advocated a program that would have prevented all this talk about potatoes. That is entirely in your interest.

I came out here to tell you what the facts are. Nobody else will tell you what the facts are, because those people who control the methods of communication want to see the farm program ruined and put out of business. And I am out here to tell you what the facts are.

If you will use your head and your own judgment and work in your own interest, we will get this thing settled in such a way that the farm program will continue as it ought to.

Now it is a pleasure to me to be here with you this morning in this beautiful city. And I hope—I hope—that you will inform yourselves completely on just exactly what we are trying to do for a farm program that will work. When you know what the facts are, you can't help but go along with what I am advocating; and I want you to know the facts, that is the reason I am here.

I came out here to tell the people just exactly what I stand for, and why. I am not running for anything. I may come back a little later and try to influence you on what

is to your best interests, but I will try to tell you the facts.

I have found in my long political experience—and it has been over 30 years—that when you know the facts, honest men have no trouble in agreeing on what the results should be.

Thank you all very much for this pleasure.

[3.] GLENN'S FERRY, IDAHO (Rear platform, 9:18 a.m.)

It is a pleasure to be here this morning, I can assure you. It is also a great pleasure to me to have warm weather again. When I left Washington it was 92 in the shade, and when I got out here to western Nebraska and Wyoming it was snowing. It is hard to tell what kind of clothes to wear in such changes of weather.

Since early this morning, I have been traveling across southern Idaho through this great Snake River Valley. Here it is, only a little after 9 o'clock, and I have already made speeches in Pocatello and Shoshone. Now I am glad to be able to stop here for a few minutes at Glenn's Ferry and talk with you about some of the problems that this country faces today, problems in which you are vitally interested and in which I am vitally interested. The reason I came out here was to give you my viewpoint and to find out what your viewpoint is directly, so there can be no misunderstanding of what we are trying to do and what we are trying to say.

The biggest problem we have is that of maintaining world peace. We can build a peaceful world only if we remain prosperous and well off here at home.

There is a very direct connection between farm prosperity and world peace. Farm prosperity is the foundation of the national economy of the United States. That was

certainly true 20 years ago when the farm depression of the 1920's led to the great depression.

I think that the farm home and the small country town are among the strongest bulwarks of our democracy. We have got to see to it that our farmers prosper on farms which they own themselves. We shall certainly go downhill if we ever have a large rural floating population who have to earn a living by working in the fields of a few large-scale landowners.

That is why I look with grave suspicion upon the development of the so-called "industrialized agriculture," the operation of farms that are nothing but factories for the production of crops. What makes this a great Republic and a great country are the small landowners, men who have property of their own on which they live and make a living.

These farm factories depend for their prosperity upon a large force of landless and underprivileged workers. These workers have to migrate from place to place without any opportunity for a decent life for their wives and children.

The Federal Government has been doing a great deal in recent years to help men and women to own and improve their own farms.

You folks here in Idaho know all about the new farms that are opened up by reclamation projects in former sagebrush areas. One of the most important things to remember about our reclamation program is that it safeguards the family-sized farm, and does not give encouragement to the growth of these huge corporate farms I was talking about earlier. That is not all we have been doing.

In the State of Idaho alone, more than \$34 million has been loaned for agricultural and home operating needs, and for purchase and enlargement and development of farms.

We have also lent Idaho farmers over \$1 million to install needed irrigation and water facilities. The Farmers Home Administration is also helping hundreds of new farm families, a large number of which are veterans, to get started on new farms.

When we first started doing something to help farm tenants buy their own land, back in 1935, you should have heard the outcries coming from the opposition. In those days the reactionaries set up an outfit which they called the American Liberty League. They issued a long blast against the Bankhead-Jones Farm Tenant Act, calling it a "socialistic experiment."

Those words have been used ever since we started to work for the farmer back in 1887. A fellow by the name of Hatch from the great State of Missouri got a bill through the Congress to appropriate \$15,000 to each State that wanted an experimental station in connection with its agricultural college and he was called a Socialist and a man who was going to tear down the Government of the United States. Yet nearly every agricultural college in the United States now works under that same Hatch Act.

They said the farm tenant program was "Russianization of agriculture." Well, you people know that our farmers' home program was and is nothing of the sort. Instead of being socialistic, it has been a real force in preserving and strengthening free enterprise. Now I hope you didn't believe that silly nonsense about socialism in 1935. I know you didn't believe it in 1935, and I am very sure you don't believe it now.

No matter what such people say, we intend to go right ahead and improve the condition of agriculture, and carry out the whole fair deal program to secure good housing, good health, education, and social security.

These are measures which will help us to

preserve world peace, our greatest objective. And if we are going to get world peace we ourselves must be economically strong. We must be in a position where our people are better off, have more things, and live better than any other people in the world. They are that way now, and we want to keep that up.

It is my idea that if we can inform the people of those countries that are under tyranny of the facts of life as we see them here in these great United States, we will not have any more difficulty about getting a world peace that will last.

My one ambition has been, ever since I inherited the Presidency on April 12, 1945, to obtain world peace—a peace that will last, a peace that will help us all, a peace that will make all the peoples of the world happy.

Now, I know that is not beyond the bounds of possibility, and I know you believe me when I tell you that is exactly what we are working for. And we are going to keep working for it until we get it.

You know, I have been up against some very, very hard propositions. I think you remember back in 1948, it was said that it was an impossibility for me to go riding all over the country to convince the people that I was on the right track and for their benefit.

I did convince them, and we did win.

Now we want to convince the world in exactly the same manner that we are on the right track, and we will win—because I think God is with us in that enterprise.

I certainly appreciate the cordiality with which I have been treated in Idaho. I am out here—as I told you in the beginning—to tell you what I think, and what I am trying to do.

I tried to convince you of that while I was out here in 1948 running for President, and trying to get votes. I am not running for anything now. I am out here to report to

you on exactly what I am trying to do, and I want your help to help me put it over. I may come back a little later and talk a little politics to you, but I am not doing it now.

Thank you very much.

[4.] BOISE, IDAHO (Rear platform, 11 a.m.)

I am very glad indeed to be here this morning. I certainly appreciate your most cordial greeting. It is very impressive to come into this rich valley. Here you have an empire which is made possible through the miracle of reclamation. It all comes from having water. Your great program of irrigation in this area has brought prosperity to your farms and your cities. I am told you have some 350,000 acres irrigated in this section. This is a tremendously valuable addition to the economic well-being of the whole country.

I think there is a deeper significance in what you have achieved here than you people may realize. A relatively small amount of Government money for reclamation has brought rich returns to the whole area and to the whole Nation.

When people talk about the size of the Federal budget, they forget that when we set aside money for things like reclamation, it is just like investing money in gilt-edge securities. The money invested for the development of this valley is an investment, it is not an expenditure.

Reclamation means richer farmlands, more prosperous cities and industries, cheaper power, and healthier opportunities for a better standard of living in this whole area.

The pennypinchers who want to cut off funds for reclamation simply do not understand good business principles.

The future has in store rich potentialities for the Boise area, for Idaho, and for the whole Northwest. We have done a great

deal of good pioneering work in resource development, but we need more power dams to develop mineral resources, and to bring cheap power to all the communities of this area. We need more sound reclamation projects, we need better soil and forest conservation.

To do these things right, we need a coordinated program for the development of the entire Columbia River Basin, including the Snake River Valley.

In order to harness the mighty resources of land, water, forests, and minerals, we must tackle all phases of this development simultaneously.

There is a direct relation between what we do in all sections of the Columbia Valley, if we are to get cheap power, flood control, rich soil, and all the other benefits which flow from a balanced program.

I am convinced that the only way to get such a balanced program is through the establishment of a Columbia Valley Administration, which will treat the region and its resources in a way which will bring greater benefits to every section.

Don't let anybody tell you that the Columbia Valley Authority I have recommended would be socialistic. It would not have a bit more authority than the present Federal agencies have. It would specifically prohibit interference with anybody's water rights, or any other rights you may have already established.

The Columbia Valley would be firmly under the control of the Congress—the elected representatives of the people—just like all other Federal agencies are now.

Instead of moving in the direction of more centralized Government, the Columbia Valley Authority would move in the direction of less centralization. The Columbia Valley Authority would have its headquarters right out here in the Columbia Basin, where

the people can deal with it firsthand. In such a situation, the State and local governments can participate much more effectively in resource development work. The experience of the Tennessee Valley proves that conclusively. And we had a lot of old moss-backs that did everything they possibly could to tear down the Tennessee Valley Authority.

Without a Columbia Valley Authority, we will continue to have a scatter-shot approach to resource development, with one phase emphasized at the expense of another. You can see that by what happened to the rivers and harbors bill the Senate passed a couple of weeks back. They put in part of a program, and left out other parts, like Hell's Canyon Dam which are just as important. The results of such a policy are wasteful and uneconomic, and I hope you will join me in working for the Columbia Valley Authority. This will stop all the fuss between Reclamation and the Army Engineers and all the rest of the bureaus in Government, by having it right out here where you can keep your finger on it.

Above and beyond the immediate benefits to this area, the success of projects like these will aid in strengthening the entire country.

I want to say to you that if we hadn't had the power projects in the Tennessee Valley, if we hadn't had the Bonneville and Grand Coulee Dams and other power projects, it would have taken us much longer to win the war. But, having those projects and plenty of power, we were able to set up those great establishments which contributed to the immediate winning of the war, and the saving of young American lives.

Now, I want to see a Northwest power development, a Southwest power development, a Northeast power development, which will include the St. Lawrence Seaway proj-

ect and the Bay of Fundy project and the Connecticut River project, and we will have the great networks in the Southeast, the Tennessee Valley project now being built in South Carolina and Georgia.

I want to say to you that if we get that done, if we get the proper development of the Missouri Valley, the Ohio Valley, the Mississippi Valley, nothing in the world can prevent this country from accomplishing its purpose. It will mean an economic development that will keep us the most powerful nation in the world, and a nation which works entirely for peace and not for any selfish purpose.

That is what I have in mind. That is what I am out here to tell you. That is what I want you to understand: that I am working for world peace on a basis that will make our economic setup the greatest in the history of the world, as it is right now. I want to keep it that way. I want to keep on developing it.

Now with your help we can do just those things.

I can't tell you how very much I appreciate this turnout. I am more than happy you have been so kind to me and so very cordial. I am out here to let you know what I am thinking, I am not running for office, I am on a nonpolitical tour now—but I may see you a little later on that subject.

[5.] NAMPA, IDAHO (Rear platform, 11:40 a.m.)

I can't tell you how much I appreciate this reception. This is a wonder!—it gets better and better as I go along through Idaho. I got up this morning at 6 o'clock, and I have been going ever since, and it seems as if the crowds get bigger and the weather gets better and the welcome more cordial. And I appreciate it.

I understand that today the Boy Scouts are sponsoring the dedication of a replica of the Statue of Liberty here in Nampa. That is a wonderful thing—that is a wonderful thing.

In this 40th anniversary of Scouting in America, it is certainly fitting that the Boy Scouts are carrying on a crusade to "Strengthen the Arm of Liberty."

You know, I am the Honorary National President of the Boy Scouts of America, and I congratulate you on your enterprise that you are putting on here.

I can think of no more important task than to "Strengthen the Arm of Liberty."

There are many ways in which we must work to strengthen that arm. We have to maintain a strong defense organization, and above all we need to stay strong in our desire to preserve peace in the world.

One very important element in the strength of the United States is the high standard of living we have established for the people of this country. Through our social security program, farm legislation, fair labor standards laws, housing acts, and other progressive legislation, we have helped to make this country the richest in the world. We have made it possible for our people to live decent, worthwhile lives, to live them without undue interference.

With the world in a troubled state, it is even more essential that this country continue to grow in strength. Our national strength depends on our keeping all groups and sections of the country prosperous. I want to see farmers, businessmen—both big and little—and the working men and women all well off.

I am greatly encouraged by the reports I have been hearing about the expanding industrial prosperity in the great State of Idaho. Despite some recent downturn in farm income, the average income of each person in the State of Idaho increased over

170 percent between 1940 and 1949.

Even more important, the average per capita income in this State increased at a much faster rate than the average increase throughout the country. Now, isn't that remarkable? That is remarkable—I don't think you appreciate what that means.

I am glad to see that Idaho is showing the way.

That is the goal toward which I am working all over the country—toward a balanced prosperity for all the people. If the farmers have good incomes, and laborers have good incomes, and business is prosperous, then that makes the whole country prosperous, and gives us a chance to continue our position in the world, as the leader of the whole world, working for peace.

Never again will we go back to the days when the robber barons stuffed themselves with riches, and the little people got just a few crumbs. Those days are gone forever—and I am glad of it.

We are strengthening the arm of liberty in our country economically, militarily, and spiritually. Let us never forget that when we strengthen liberty at home we strengthen peace in the world.

We stand for something. We stand for the moral well-being of the world. We have a system of morals which believes in honor and ethics and upright living. We are in a controversy with a country that has no ethics and no morals. Because we have the ethical standards that we have, I am just as sure as I stand here that in the long run Almighty God is going to give us an opportunity to get peace in the world.

We don't want to conquer any nation, we don't want to exploit anybody. We want everybody in the world to be happy, just as we are.

I hope you Boy Scouts will keep up the good work. This is a fine step you are tak-

ing here today. I hope it will be possible for me to attend the National Jamboree at Valley Forge next month. I am counting on it. But the President never can tell where he is going to be, or at what time. He has to meet conditions as they come up. But I hope I will see some of you at that Jamboree.

Thank you very much.

[6.] ONTARIO, OREGON (Rear platform, 12:40 p.m.)

Well, it is good to be back in Oregon again. You know I was here about 2 years ago, not over in this end of the State, but then that was not my fault, there wasn't time to get everywhere. This is the first time I have had a chance to stop in this great city of Ontario, and I really like this part of the country. I like it especially because of your progressive spirit. Here in this State, the population has increased about five times as fast as it has in the rest of the United States since 1940. I haven't seen the final census figures, but those are the reports that I received.

I might say, too, that I was interested to hear that recent registration figures indicate a growing interest in political affairs. I understand that you have registered more Democrats than you have Republicans. I am not on a political tour, you understand.

Right near here, travelers on the old Oregon Trail used to cross the river on their way West. This area owes a lot to the Oregon Trail that brought settlers out to the coast. The Oregon Trail people used to outfit themselves out of Independence and Westport in Missouri. Those who came from the eastern part of the State and Kansas went up the Ohio and the Mississippi Rivers and up the Missouri to Independence, and then they would go West through Gardner,

where the trail split off, one went to Santa Fe and the other to Oregon. And thanks to forward-looking President Thomas Jefferson, who decided that this country really was worth something, Oregon is one of the great States in the American Union. Some of the people in his time said it wasn't any good, they said the territory wasn't worth anything.

Old Daniel Webster and Lord Ashburton had a meeting in Washington one time, and there was a quarrel, if you remember, at that time, in regard to whether the northern boundary of the United States should be 54-40 or not. All this then was called the Oregon Territory and it went all the way up to the boundary of Alaska.

So old Daniel Webster and Lord Ashburton got to feeling pretty good, and they decided that the best way to settle it was to take a ruler and draw a line across the map and split it 50-50, because the country wasn't worth anything anyhow. I wish those two could come back and see that part of the United States now.

You owe a lot today to the fine networks of roads and highways that you have around here. Today, Oregon has some of the best roads in the country. I know just what it means to a community and State to have good roads. Back home in Missouri, when I held county office, I am proud of the fact that we built a system of roads in my home county with a bond issue, and that bond issue has now paid off and the roads are still good as they were when they were built. Now that is really a record.

We built our roads by getting the localities, the States, and the Federal Government together in a cooperative effort. The towns and counties couldn't have done it all by themselves. It would not have been possible to build a national system of highways unless we had divided the cost between the local government, the State government and the Federal Government. So the Federal Gov-

ernment chipped in on a 50-50 basis so that all the people all over the country might have better transportation.

You know, I have traveled over nearly every national highway in this country, from north to south, and east to west, and I have seen nearly every road system in the country. I had to make an inspection like that when we were trying to build our own system back home.

Roads cost money, but this money is not just being spent, it is a real investment, and every year the investment pays big dividends. As the investment we made in roads in Jackson County, Mo., increased the value of every farm that was on the roads—every farm in the county that was more than 2 miles from that road system increased in value.

People who criticize our Federal budget tend to forget how much of that expenditure is really an investment. The valley through which I came this morning in Idaho is a shining example of what a Federal investment means. All that irrigation and reclamation project up and down the Snake River is an investment, and it is a paying investment because it puts land to work that otherwise could not be used.

Back in 1916, when the first big Federal aid road project was passed, there were plenty of people who said we were heading straight toward perdition. That has happened in every age and on every subject.

One Congressman said that Federal aid to roads, and these are his exact words—some of these fellows say some things sometimes for the Congressional Record that come back to haunt them, and this is one of them—this fellow said that aid to roads “will result in the creation of a horde of Federal road inspectors prowling over the country—a long step toward bureaucracy and indefensible centralization.”

Another Congressman even claimed that this would take us down the road to “Euro-

pean militarism." Well, there have been lots of gloomy people who think the Nation is going down the road to something or other. Everytime we try to do anything that is worthwhile and for the benefit of the whole people, you hear that same thing today, and you heard it for the last 10 years and you will hear it in the next 30 years. It began way back when people who wanted to see this country properly developed, wanted to do something about it and see that it was developed.

I am one of those who does not believe in gloom. I believe in looking forward and doing a few things that will help all the people. That is the reason I am out here talking to you now.

These prophets of gloom are saying the same thing against the programs for better housing, better education and health, and for all the other forward-looking social legislation which we are carrying out.

But I intend to keep right on going forward, building the kind of prosperous and expanding economy which is our main bulwark of freedom in the world today. I hope you will remember this.

We must continue to invest in those things which will increase the strength of this country. In this way we can give to the world its greatest hope for peace and for freedom. And that is what we are working for—world peace and freedom for all mankind.

Now I have come out on this tour around over the country. I could have flown out to Grand Coulee Dam and dedicated it and got on the plane and gone back to Washington. But it occurred to me that there might be some people between Grand Coulee and Washington that might want to look at their President to see whether he is just as interested in their welfare and just as cordial with them as he was when he was out asking for votes. So here I am. I am making a re-

port to you. I am giving you the message on the state of the Union, which the Constitution requires me to give the Congress once a year, and which I do every January as soon as the Congress meets. This time I am going across the country making a complete report on what I think, what I hope to do for the welfare and benefit of the country, and I am not running for anything. I may come back later and be a little more interested in politics, but I am here now so that you can see whether I am still trying to do what I told you I would do when I was elected President of the United States in 1948.

I can't tell you how much I appreciate this cordial welcome, which I have received all along the road. Everywhere it has been just like this. People come out because they are interested in what the President thinks and what he has to say, and you have a right to be. And I am reporting to you and I hope you will like it. I do.

[7.] HUNTINGTON, OREGON (Rear platform, 1:45 p.m.)

Thank you very much for this cordial reception. On this trip across the country, I have been passing through some very interesting scenery along the route of the old Oregon Trail. I have been glad to see the signs of increasing industrialization in eastern Oregon, because I know that the more diversified your economy is, the better off you will be.

One matter in Oregon that concerns me is your farm situation. Since 1948, there has been a decline in farm income in Oregon, and there has been a decline in farm income all over the Nation. This decline has been nothing like the disastrous drop in farm prices which occurred after the First World War, because our farm program has cushioned the downward trend.

The laws we have passed since 1933 have

kept this decline in farm prices from turning into a farm depression. There is a floor under farm prices. Our farm program has kept the markets reasonably steady, and completely free of panic.

We have farm credit institutions to prevent the drying up of credit which farmers must have.

The rural electrification program has helped to make farming more efficient, and farm living much more pleasant. But there are still some serious inadequacies in our farm laws. We must take positive steps to reverse the downward trend in farm incomes.

We should add some perishables to the priority list along with the other basic commodities. That is especially important in Oregon, where you produce many perishable commodities for which there is no adequate price support at present.

Obviously, we can't store up meat, milk, fruit, and things like that, as we store up wheat and cotton. Loans and purchases work fine for wheat, but they don't work well for perishables. That is why we should use the method of production payments to support perishables.

I feel now that it is high time to pay more attention to farm income, instead of merely concentrating on prices—and to pay more attention to the perishable commodities.

In this way, we can move toward a greater prosperity for both the farmer and the city dweller, for their interests are interdependent.

I am just as interested in improving the situation in the cities as on the farms. I shall keep on fighting for better schools, more adequate social security laws and a national health program. All these measures will build up a stronger economy here at home. In securing a stronger economy, we are strengthening democracy.

That is the way to peace, and that is what I am most interested in attaining.

You people here in Huntington have given me a fine welcome and a fine greeting just as every other city I have been through has. I appreciate it more than I can tell you. It has been a most happy trip across the country. People seem to be interested in their Government. They seem to be just as interested in seeing their President as when he was running for office. I am just out here to report to you on conditions as I see them, and to ask your cooperation and support in carrying through the program which I think is for the welfare of this country and for the welfare of the whole world.

[8.] BAKER, OREGON (Rear platform, 2:23 p.m.)

Thank you very much. You are very kind to give me a reception like this, in this great town of Baker, and I want to tell you how much I appreciate it.

You know, I know something about the gentleman for whom this city was named. He was a most remarkable man. He was the first Senator from Oregon, and he had been a Congressman in Illinois, and had helped write the constitution of the State of California, and he came up here to make a speech for Abraham Lincoln, and they elected him to be United States Senator from Oregon in 1859.

When the Civil War broke out in 1861, he went over into Pennsylvania, and believe it or not he organized a volunteer regiment which he called the First California, and there wasn't a Californian in it.

They went down with Baker to Ball's Bluff and he got himself killed. I went to see General Marshall who lives in Leesburg, Va., on part of the old Ball farm for which Ball's Bluff was named, and the General and

I took a walk over the Ball's Bluff battlefield. We found a little cemetery there, about 40 x 60, with 21 unknown dead buried in it. And we couldn't find Baker's grave so we took a walk about a hundred yards down in the woods and we found a little stone marker which said "Colonel Edwin Dickerson Baker was killed here." General Marshall and I didn't know whether he was buried there or not, so we got hold of your Senator from Oregon, Wayne Morse, and took him down there and pointed out the place and suggested erection of a monument to that great Mr. Baker. We found out afterwards that Mr. Baker was buried in San Francisco in a cemetery which he himself had promoted and made a fortune out of. So I don't know what we can do about it.

But he was a great man and I would like to see the great State of Oregon erect a marker—a decent marker—at the place where he fell. If you will read your history, you will find out something about him that will make you proud. He was a real politician, and you know they are hard to find.

Your city, like all of the great State of Oregon, has been growing fast in recent years. That is splendid, and I hope that you keep right on growing. To do that, however, there must be continued development of the natural resources of the Northwest.

You know that there are many obstacles in the way of sensible development of the country's and your resources. You saw an example of those obstacles a few weeks ago, when the authorization for Hell's Canyon Dam—which you are advertising here today—and other projects was defeated in the Senate.

About 3 years ago, I directed the Army Engineers and the Bureau of Reclamation to get together and bring in a sensible, co-ordinated plan for the work of those two agencies.

This was the program that was before the Senate last month. It had a logical schedule of dam construction—I spell that d-a-m—and it had a basin account to permit uniform, low power rates. That was obviously a good program, as far as it went.

But look what happened to that program. Hell's Canyon Dam was knocked out. The basin account was knocked out. A number of other projects were knocked out, and when the bill passed the Senate, it contained only a lopsided set of projects for just one agency.

That is no way to proceed. It throws the entire program out of balance. We need to have equal consideration of all resource needs—soil conservation, reclamation, the generation of power, flood control, and everything else.

I am sure we will get Hell's Canyon Dam before we quit. We have got to have it. It will add close to a million kilowatts of power to this section of the country. It will help control flood waters, it will help bring a higher standard of living to this entire region.

We can't go on with an unbalanced approach to river basin development. We are wasting precious time and precious resources.

That is why I have recommended the one sure way to realize unified development of all the natural resources of this region, and that is through the creation of a Columbia Valley Administration.

The Columbia Valley Administration can present a single plan for the whole area, giving the proper balance to all sections and all resource needs. And the Columbia Valley Administration would be run by men from this area, living in this area, who can work with the States and localities and present to the Congress the whole picture, not just bits and pieces of it—to be done halfway or not done at all. That is sensible.

It is economical. And it is the right way to proceed.

I hope that by the time I visit Baker again—and I hope that won't be too long—we will have Hell's Canyon Dam authorized and a Columbia Valley Administration set up.

Then we will be on the right road to a full, unified and coordinated development of the rich natural resources of the Northwest. That will help us build the kind of prosperity here in the Pacific Northwest that all of us want. Prosperity here will mean greater prosperity and greater strength for the whole United States.

And I am strong for the proper development of all sections of the United States, not just one section but all sections. They are all necessary to keep this country the greatest Republic that the sun has ever shone upon. They are all necessary to give us an economic preponderance which will cause us to get a peace in the world that will last. I am working for lasting peace. I am working for a continued prosperous economy in this country, a balanced economy which will be good for farmers, be good for businessmen, be good for laboringmen, and that is the only way you can have a successful government.

I want to show these totalitarian fellows that democracy—honest-to-goodness democracy is just what the word means—can work for the benefit of all the people, and not for just the benefit of a few.

I came out here so that you could understand what I am trying to do, so that you could see me and find out if I have gone "high hat" since you elected me in 1948.

I want you to know that I am working for you, trying my best to carry out the things which I told you I wanted to do, and in which you showed you had confidence in me when you elected me. I am trying to do the job. I am trying to do the job for the

whole Nation. I am your President. You elected me. I am working as your public servant, and I am working to the best of my ability in the public interest for all concerned.

I can't tell you how much I appreciate this wonderful gathering in this town named after the first Senator of Oregon—a great man and a great orator.

Thank you very much.

[9.] LA GRANDE, OREGON (Rear platform, 3:45 p.m.)

Thank you very much. It looks to me like everybody in this part of Oregon is here. I see three high school bands, I believe, one of them just performed for me and did it well—just like it ought to be done.

As I come into La Grande, it is easy to see why my good friend Justice Douglas spends so much of his time in the Wallowa Mountains. I am glad to hear that it will take a lot more than a set of broken ribs to keep him from returning to this part of the country.

Here in this area, and throughout the whole Northwest, one of your greatest assets is timber. More people in this State make their living from lumbering than from any other industry. That is important to everybody in Oregon. When the lumber industry is in good shape, that means more jobs, bigger payrolls, and better markets for farmers and businessmen.

Here in Oregon you saw what a slump in the lumber industry could mean. Last fall and winter a lot of people lost their jobs temporarily, and a lot of logging companies were in trouble for a while.

Things are back on the upgrade now. And we have got to keep the lumber industry, and our whole economy, moving upward.

One of the big reasons the lumber industry is running full blast again is that housing

construction all over the country is at high levels. A great share of the credit for that belongs to the housing programs of the Federal Government. For the last 17 years, we have been developing housing legislation that is helping people right now to build and buy houses.

That is important to the people who want homes. And it is important to the lumber industry here in the Northwest. Last year 11½ million board feet of lumber were produced and sold in Washington and Oregon. That is a market worth keeping. And I am glad to know that more and more processing plants are being built out here, to turn raw lumber into plywood and other finished products.

But there are other things that need to be done if the lumber industry is to stay healthy. There was a time, in the not too distant past, when it was common practice to skim off the cream of the forests in a rush to gain quick profits.

Here in the center of the ponderosa pine region, you have learned that the management and harvesting of timber must be on a sustained yield basis. That is the way to assure a permanent lumber industry.

Another thing we must do is to make sure that our public forest resources are made available to everybody on a fair and equal basis. We must not allow any monopolistic exploitation of these resources.

Over in the western part of the State, the Secretary of the Interior has just issued new access road and sales regulations for some of the public forest lands. These regulations will provide the small timber operator with access to government timber on equal terms with the large operator. Small and large operators are now cooperating with the Federal Government in making these regulations work.

I think it is a fair way to treat the use of

all our natural resources: for the benefit of everybody.

A third step we need to take is to protect the forests better against fire, and to reforest cutover and burned-over areas. I am glad to hear that the State of Oregon is making progress in replanting timber in some of the big burned-over areas. This is a tremendous task, but I hope it will be carried out vigorously.

All this work will take a considerable investment of money in a careful, long-range program. Some people seem to think it is wasteful to invest public funds in roads, and fire protection, and reforestation. That is a very shortsighted view, and I don't go along with them, because these investments will pay off tremendously in better forests in the future.

It is the same way with the expenditures we are making in our effort to keep peace in the world. It is a hard struggle, and the costs of national security are by far the largest part of the budget. But the cost in dollars and cents is nothing compared to the terrible cost of another war.

We must remain strong economically, strong in arms, and strong in spirit. We must cooperate with the other free nations. Those are the surest ways to preserve the peace.

It has been a grand thing to see you here today. I appreciate very much your coming out. I have had a most cordial welcome in the great State of Oregon. It looks to me like everybody in this end of the State has at least had a chance to take a look at me, and that is what I want you to do.

I know that the people of your State, while some of them call themselves Republicans, they usually vote with the Democrats on every issue that counts. And I appreciate that very much—I appreciate that very much.

[10.] PENDLETON, OREGON (Address, 6:30 p.m., see Item 122)

[11.] UMATILLA, OREGON (Rear platform, 8:10 p.m.)

I am very glad to have this opportunity to visit Umatilla. I am very much interested in the McNary Dam which is being built just a short distance from here on the Columbia River.

I was well acquainted with Senator McNary. He was leader of the minority while I was in the Senate, and one of the finest men I ever met, and I am very happy that this dam, named in his honor, is going to be completed one of these days.

It will bring power and improve navigation to this region. McNary Dam is an important unit in a series of giant projects which will harness the energy of the Columbia River for the benefit of all the people.

The development of this river is one of the most magnificent undertakings the world has ever known. It is a tribute to the vision and determination of the people of the Pacific Northwest. It is also an outstanding example of how the people of the Nation can achieve great goals by using the resources of the Federal Government.

The fact is that these big dams on the Columbia River would not have been built unless the Federal Government had built them.

There are some people, I think, who would rather that they had never been built. There are some people who no matter what the Government starts out to do are against it.

I have heard so much claptrap lately from people who are against progress that I did a little research on what these same people have been saying about new programs for the last 17 years. Believe me, they have been against almost everything that was proposed. And the fact that none of their dire

predictions have come true does not stop them for a minute. They just keep on predicting disaster and hope that someday disaster will overtake us so they can say, "I told you so."

Here is an example that will be of interest here in Umatilla. Back in 1937—I was in the Senate then—we passed a housing law to help the cities build low-rent public housing. At that time one of these Congressmen who was against everything said, and this is what he said: "By the passage of this bill you speed the day when your mayors will become obsolete, and your Governors will be simply ornaments. . . ." Well now, that day has not arrived yet, has it? Nothing of the kind happened. What did happen was that we got some good housing built, and during the war it came in very handy.

Then, after the war, we wanted to revive this kind of housing legislation to help relieve the acute housing shortage, and what happened—we heard the same old hue and cry.

Finally, we overcame this opposition to get a public housing law in the first session of the 81st Congress last year. And we are going to get some more low-rent public housing.

[At this point someone in the crowd called out, "You hope!" The President then resumed speaking.]

Yes, we hope, and if you work hard enough, you can help me to get it. That is what I am out here for.

Some of it is going to be right here in Umatilla County. I have a report right here describing one of those housing projects, and I am very glad that you are going to get it. I am sure that the people of this community are not going to be frightened or fooled by a campaign of scare words any more than I am. I am hard to scare, as you know. We are going right on working for prosperity and peace, and if we keep up that sort of

program, if we keep right at it, there isn't anything in the world can stop us from getting the kind of a peace that we want, there isn't anything can stop us from getting the proper development for this part of the world and all the rest of the United States.

I can't tell you how much I appreciate this most cordial reception for me. It has been wonderful. I have been across Iowa and Nebraska and Wyoming and Idaho, and a corner of the State of Oregon, and I don't think I ever had a more cordial reception or a grander time since I have been in public service, and that has been 30 years.

I was riding around this part of the world in 1948, making a bid for your votes, and I am out here now to make a report to you as President of the United States on what I am trying to do and what I want you to help me do for the welfare and benefit of this country.

It has been a very great pleasure to be here, and I appreciate your cordiality and your kindness in receiving me this way.

Thank you very much.

[12.] WALLULA, WASHINGTON (Rear platform, 9:02 p.m.)

It certainly is a pleasure to see you here tonight, and I am more than happy to be here.

I am sorry that we are 10 minutes behind schedule and I can't stay with you as long as I had anticipated staying.

We have had a grand day today. Everybody has enjoyed it. I hope the rest of the evening is going to be as good as the day has been.

Thank you very much for coming out.

[13.] PASCO, WASHINGTON (Speaker's platform in front of the Elks Temple, 9:42 p.m.)

I understand that this Elks Lodge here was organized July 14, 1947, under the spon-

sorship of the Walla Walla Lodge. It started with nothing in the treasury. It now has 700 members and \$100,000. Isn't that something? I think I'll put him in charge of the budget of the United States Government.

You know that the Elks have four cardinal principles: charity, justice, brotherly love, and fidelity. The purpose of an Elks Lodge is to make the community in the Nation a better place in which to live. I am most happy to have a part in the dedication of their new home. They have done a remarkable job here, and I congratulate them.

I am more than happy to be with you here in Pasco this evening, to help dedicate this new Elks building. Every time I come back to the State of Washington I get a new feeling of the vast resources which this Nation possesses. As long as I am President, I will do everything in my power to use our resources in an effort to keep peace in the world.

Early this morning, over in Pocatello, Idaho, I talked about the work which the Atomic Energy Commission is planning at Arco, Idaho, for possible future industrial uses of atomic energy.

Just across the river from here, over at Hanford, there are other atomic energy works, where we are producing the ingredients of destruction. Our wartime investment at Hanford ran to \$600 million, and we are now spending another \$100 million to expand and improve the plants constructed during the wartime.

Hanford typifies the strategic importance of the vast regional arsenal we have built in the Pacific Northwest. No other section of the United States is more important to the security of this country.

Not only is the Northwest important in itself, it is also the gateway to Alaska, and we hope soon that Alaska will enter the Union as a new State along with Hawaii.

We recognize the strategic importance of

the Pacific Northwest. For this reason, the Navy's largest shipyard is located at Bremerton.

In the mountains to the north, the Navy has located its new \$7 million radio transmitter to direct its ships at sea.

Fort Lewis is the strongest Army post west of the Mississippi.

This month, two squadrons of the 81st Fighter Interceptor Wing will move into Moses Lake Air Base. The latest type jet fighters will strengthen air defenses already concentrated at Spokane, Moses Lake, and McChord Air Fields. On Whidby Island in Puget Sound we have one of the biggest and most important naval air stations in the Pacific.

Now I am giving you just these few examples to show you the importance we attach to this section of the country in our whole defense picture. There has been a lot of wild talk about the Northwest and about Alaska, and about what this Government expected to do with this section of the country.

This section of the country, as I told you to begin with, is considered a key position so far as the national defense of the Western Hemisphere is concerned. You need not worry about being "abandoned." We have no such intention. We never had any such intention. Those rumors were put out because your President was going to pay you a visit, and they thought maybe they could make it uncomfortable for him by putting out such foolishness. You know better than that.

Installations like these cost money. It is easy for foolish people to say that we ought to slash national expenditures by cutting defenses. As long as I have anything to say about it, I do not intend to weaken the defenses of this country to meet any short-

sighted cry of "economy."

The money we are spending at Hanford is also one of the soundest investments this Nation can make. At the present time and in the immediate future, it is providing the United States with a means for defense while international conditions remain unsettled.

We hope the world will come to an agreement on international control of atomic energy. We have been working hard to get such an agreement for 4 years. When we finally do obtain a stable, peaceful world, the material produced at Hanford can all be turned to peacetime uses. That is what we all hope for.

You know, there have been many engines of destruction invented in the history of the world, and nearly every one of them has turned out to be of great use in peacetime.

I have always hoped, and I still hope, that this discovery which we made under the pressure of the greatest war in history will turn out to be the greatest benefactor and the greatest help to the welfare of the world that has ever come into existence. And I am just as sure as I stand here that it will.

I hope that in the not too far distant future, the full power of this great discovery can be used for lighting homes, supplying power for factories, improving land, driving ships and airplanes about the globe in peaceful trade.

Meanwhile, our national atomic energy program serves as one of the bulwarks of the free world against aggression. It is part of our whole effort to increase the strength and effectiveness of free and democratic nations, so that communism cannot succeed in its attempt to overrun the world.

I can't tell you how very much I appreciate the privilege of being here tonight. In 1948 I tried to get here, but the Columbia River and the Snake River were both on a

rampage at that time and it was not possible to get to this town. I hope that won't happen again.

If we get these great projects of the Columbia and Snake Rivers constructed as they should be, we will be in a position to control floods, to furnish power, and to make this one of the greatest parts of the United States.

You know, I have a view of the future on power. This section of the world—this part of the United States—will be one of the greatest power reservoirs in the country.

I want to see the St. Lawrence River developed in the manner in which it should be developed, and the Bay of Fundy and the New England power setup integrated something like we have here. In the Southeast we have the Tennessee Valley Authority. We are making developments in South Carolina and Georgia which will make a power development there commensurate with that section of the country. Then the Southwest power development on the Colorado River, which you all know about.

If we can get the proper development of the Missouri Valley, the Mississippi Valley, and the Ohio Valley between Pittsburgh and Denver, we will have this country with a network of power that will give us a chance to develop resources unheard of in the history of the world.

Now, that is what we are working for.

Had it not been for the development of the Tennessee Valley and the development of the Columbia River, it would have taken us much longer and cost us many more lives to win the war.

I made many an investigation out here while I was in the Senate, along with Mon

Wallgren, who was a United States Senator with me on that committee which made those investigations. And we learned an immense amount about the necessity for the proper development of the Columbia Valley.

I have been out here all day preaching the Columbia Valley Authority, to make this development integrated so that it will work for the benefit and welfare of the whole Northwest corner of the United States. I hope you will support me in that program.

It will be a great thing for every State that tributaries the Columbia River—Oregon, Washington, Idaho, Montana. It will be for their welfare. They will like it if they ever get it done.

You have a lot of old fogies who never want to do anything progressive. That is not true of the majority of the people in this part of the world. This part of the world is always looking forward. Your ancestors who came out here and settled this part of the world had to look forward in order to make this country great.

We must keep up that spirit. That is what I am working for. I am out here to make a report to you as President of the United States on what I hope to accomplish, as I told you in 1948 I would make the attempt to do. I am not running for anything. I am just out here to make a report to you.

I may come back later and talk a little differently.

Thank you very much.

NOTE: In the course of his remarks on May 10 the President referred to, among others, William O. Douglas, Associate Justice of the Supreme Court of the United States, Charles L. McNary, former Senator from Oregon, and Mon C. Wallgren, former Senator and former Governor of Washington.

122 Address in Pendleton, Oregon.

May 10, 1950

THANK YOU very much. It is certainly a pleasure to be here in Pendleton today. As I came over that divide on the railroad into this beautiful valley, I wondered what the first man who saw the valley in which Pendleton is situated thought when he saw it. I think he must have thought, after that rough passage over the mountains, that he had arrived in Heaven. And I am told that is just what it is here.

I am always happy to visit the Pacific Northwest. You know, I have come out here to dedicate Grand Coulee Dam tomorrow. On the way out, I have been reporting to the people on some of the problems that our Nation faces, and the progress we are making in solving those problems.

At different towns and cities, I have talked about world peace, and the farm program, and the development of our natural resources. And all these things are tied together, because we need to build a strong United States—strong morally, strong materially—as a basis for our expanding future, and as a basis for world peace.

Today, I want to talk with you about the economic progress of this great country of ours.

The growth of the Pacific Northwest is a symbol of the breathtaking economic progress of the United States.

In one century, you have grown from a few people pushing back the wilderness to thriving States with several millions of people. One hundred years ago ox teams were the power for covered wagons. Today, you use the energy of the Columbia River—and in a few years more you may be harnessing the tremendous force of the atom for peaceful work.

These changes did not come about by themselves. They are the result of the dar-

ing and independent spirit which has always characterized this area.

The people of the West have always looked ahead. In their private actions, and jointly through their local, State, and Federal governments, they have been eager to take bold and imaginative steps toward a better future.

So long as we hold fast to the frontier spirit of the West, we need never fear the greatest danger that could overtake a nation. That is the danger of timidity—of being satisfied with things as they are—of failing to seek ever higher goals.

Throughout our history, there have been timid people who have been afraid to move forward. They opposed all the progressive measures we now take for granted. These timid folk once tried to reverse the trend toward free education and political democracy. They called that trend towards free education and political democracy “mob rule.”

Today the spiritual descendants of this timid group are afraid of bold, progressive measures to achieve an abundant and expanding economy and to distribute its products more fairly among all our people. They call these measures “statism” and “socialism.”

The use of the powers of Government to achieve a higher living standard and a fair deal for all the people is not statism and it is not socialism.

It is a part of the American tradition.

Every day, we should thank Almighty God that the progressive trends of American life and progress have never been stopped for long. We have moved steadily toward a higher conception of human needs and human freedoms, and a greater appreciation of the rights of the average man.

This progress in American life has not been accomplished without a struggle. It cannot be continued without a struggle. Repeatedly, the commonsense of a majority of the American people has had to assert itself in the face of the opposition of those who wanted to cling to the past.

Much of this struggle has dealt with whether our vast country with its wealth of resources should be developed for the benefit of the many or for the benefit of just a few. The issue has been whether we should stop trying to provide all our citizens with a good standard of living just because a few people already had more than enough.

The timid minority do not believe that prosperity for all of our people is a goal that we should fight for. That timid minority, many of them are sincere and well-meaning individuals; and that is about the meanest thing you can say about a man, that he means well. The trouble has not been always with their hearts; it has been with their eyes. Not only were they blind to the prospects of the future; they could not even see backward clearly enough to understand what had already happened.

Let us look at some of the recent progress of the United States of America.

Twenty years ago we had entered upon the greatest depression in our history. We suffered huge losses for more than 3 long years. Then we began vigorous policies of recovery and reform. Our recovery was so successful that, by 1939, our total national output of goods and services was actually higher than it was in the last boom year before the great depression.

Since 1939, we have gone on to make further gains—tremendous gains.

I am going to give you some of the facts. It is awful hard to get these facts, because there are a lot of people that don't want you to know the facts, and that is the reason I am making this tour, so I can tell you what

the facts are, and then you can judge for yourselves.

The calamity howlers don't like to look at the facts because the facts prove how wrong they are when they tell you what a terrible fix the country is in. They have been saying over and over again, for years, that the country is being ruined. But the facts show that things have been getting better. So, what do they do? They just ignore the facts.

Well, we are not going to ignore them. We are going to keep the record straight. We are going to see what has actually been happening to our economy.

The best overall measure of a nation's economy is its annual output of goods and services. In the United States, the annual output of goods and services has increased in the last 10 years about 60 percent.

Now, how does this affect the individual citizen? You know, a favorite theme of the boys who are always trying to run the country down instead of trying to build it up, is that the Government takes all our gains away by high taxes. But the truth is that the annual per capita income of our citizens—after taxes—has increased in the last 10 years by more than 40 percent.

And some of the people who are doing the loudest yelling are the very people who have got the biggest increases. Most of them are better off now than they have ever been before in their lives.

However—and for this I am very thankful—the increased incomes have not been confined to a favored few. Annual wages and salaries of employees increased almost 75 percent in the last 10 years.

The income of farmowners, although it has fallen off in the last 2 years—and has fallen off more than it should—is still more than 50 percent higher than it was in 1939.

You would think all this would be enough to convince anybody that the country is doing very well. But some people are hard

to convince. They say this administration looks after labor and looks after the farmer, but it just doesn't give the businessman a chance—that business is being taxed to death.

Well now, let's examine that. The fact is, that the annual income of corporate businesses, *after taxes*—I say, after taxes—bear that in mind—has increased about 100 percent since 1939. That's right, it has increased 100 percent—after taxes. I don't think the country is going to Hell.

It seems to me that free private enterprise is doing all right.

I am glad it is. I want business to be prosperous; and I am going to do all I can to see that it remains prosperous.

There are some diehard reactionaries who won't give up even when the facts I have mentioned are pointed out to them. So they say, "Well, maybe so, but the dollars people have won't buy as much as they used to." That argument is just as phony as all the rest of the arguments the pessimists use.

In all the figures I have given you, allowance has been made for changes in the purchasing power of the dollar. The increases I am talking about are *real* increases, not just dollar increases. In dollar terms, the gains would be much larger.

During the last 5 years, we have successfully met one of the greatest economic tests that can ever confront a nation: we have come through the adjustments following a great war without a depression. We have had depressions after most other wars, and a good many people expected that we would have one this time.

Instead, we have weathered the readjustment period with relatively few hardships. And now, we have good prospects for continued prosperity. Almost every newspaper you pick up gives new evidence of increasing business activity. I saw an advertisement in a Denver paper the other day, advertising for miners to go up to Montana. That hasn't

happened for quite a while, but it seems that things are on the mend and going up all the time.

We have avoided the calamity of a post-war depression because our whole economy has been strengthened by a program of action which began 17 years ago—17 years ago, that was March 4, 1933, if you remember. This program has been directed toward the humanizing of our economy and toward the humanizing of the Government. This program has been marked by such measures as bank deposit insurance, regulation of the security markets, old-age and unemployment insurance, minimum wages, slum clearance and low-rent housing, resource development, and protective farm legislation.

We have had a Government that was—and is—working for the people, and not for the special interests.

These measures have helped to distribute buying power more widely among the people. They have provided larger markets for the increasing products of our factories and our farms. They have protected our economy against shock. They have provided business with a stronger banking structure and a more flexible credit system. They have helped to sustain farm income.

Now, we haven't had a bank failure for so long that we don't know what one is like; and we don't want to see anymore.

These results have not been achieved through public action alone. In private enterprise as well, employers and workers have placed more emphasis upon the human element. They have learned more about how our economy functions. They have constantly adopted more enlightened and progressive policies.

There is a great lesson to be learned from what we have accomplished. We have learned that it is within our power as a people to make full use of our tremendous

resources of farm, factory, and human skill.

We can use that lesson—and we must use it—to build for the future.

There are two conflicting schools of thought about the future of our economy, just as there are about its present condition. Those who can see nothing but evil in the present situation, can see nothing but gloom for the future.

They have been saying all along that our programs could not succeed—even though the programs were succeeding, at the very time they were denying it. Now they are saying the same old thing—that the country is going bankrupt, that depression lies ahead, that the only thing to do is to pull in our belts and save what we can from the wreckage.

I don't agree with them. As I have said time and again, I am a fundamental optimist. I believe this country never will go back. I think it is always going forward.

I believe that we know more now than ever before about how to keep our economy strong and prosperous. I believe that we can continue to rely on the programs that have served so well for the last 17 years—use them and improve them. I face the future with confidence that our Nation will continue to grow in freedom and in material and moral strength.

I am sure that the people of Oregon and all the Pacific Northwest share that confidence. It is the character of those of you who live in this region to dream big dreams and plan big plans. You will not join with the little men who throw up their hands and cry, "It can't be done" when we set up our goals for future prosperity.

I want to tell you about some of those goals—and I assure you that there is nothing fantastic about them. They are merely based upon the belief that we can improve as rapidly in the future as we have in the past. That's the optimist again. I am sure

we can do that well and even better if we follow wise policies that are for the benefit of all the people and not for just a special few.

Here are some of the things we can do.

In the next 10 years we can reach toward higher standards of living for everybody in the country.

We can lift our annual output of goods and services to more than \$350 billion by 1960—one-third increase within 10 years. And I am talking about real output, measured in dollars of today's purchasing power.

We can increase real wage and salary incomes, and farm incomes, as our economy grows. We can increase the profits of business, not through higher prices or higher profit margins, but through increased volume in a growing economy.

I have said before, and I repeat, that by 1960 we can and should achieve a far better standard of living for every industrious family in the city and on the farm.

Now, I want to tell you about some of the things we must do to achieve those goals.

First, the efficiency and capacity of our industries must be increased. Despite the large investments which industry has made since the war, there is urgent need for further investment and improvement, to meet expanding markets and to take advantage of the rapid gains in technology.

This is a job for private owners and managers—in manufacturing, in power, in transportation, in many other industries. It is also a job in which the Government must participate—through resource development, sound tax policies, housing and small business programs, and in many other ways.

Second, purchasing power must be expanded to develop and maintain markets for our increased production of goods.

The final market for all products is the ultimate consumer. Our economy cannot expand as fast as it should as long as we

have a large number of families with substandard incomes. One out of four American families now has an income of less than \$2,000 a year.

Our goal over the next decade should be to lift every hard-working American family to an income of \$4,000 a year—not a mere dollar increase, but an increase in the real standard of living. We have the resources to do this by balanced national growth.

Raising the standards of our poorest families will not be at the expense of anybody else. We will all benefit by doing it, for the incomes of the rest of us will rise at the same time.

Third, we must maintain a sound balance in the programs of our Government, faced as it is with huge and unavoidable responsibilities.

Most people realize, now, that more than 70 percent of the Federal budget is required to pay for past wars and our work to prevent another war. However, they often fail to realize just how vital the other 30 percent is to our welfare and progress. The costs of sound programs to improve the Nation's health and education, to stabilize agriculture, to develop resources, are sensible investments in a better future.

I want to balance the budget of the Federal Government, just as much as anybody else does. I would like to see taxes reduced. We will do both of these things just as soon as we safely can—and not sooner. Nobody can do it any sooner than that.

We must continue to strive for every true economy in national affairs. But I will not join in slashing Government expenses at the cost of our national security and our national progress.

Fourth, we must continue to improve our economic relations with the rest of the world.

We must develop a larger flow of international trade and international investment, on a sound basis. This will result in larger

markets for ourselves, and larger markets for other free countries.

Just as our Nation has grown through enlarged production and trade, from which all sections of the country have benefited, so the expansion of world production and trade can strengthen all free countries. This is an essential step toward world peace.

We must not be turned aside or slowed down in our efforts to help the other free nations get back on their feet by those who would retreat into isolationism in order to save a few dollars. We would pay for that folly many times over. It would greatly increase the chances of a third world war.

As long as I am President of the United States, we are not going to put dollars above world peace.

The things that I have been talking to you about—the growth of our economy and the policies needed to make that growth possible—have a very definite meaning for you folks here in Pendleton, as they do for people all over the country. They are not just abstract theories. They are matters that will have a very important effect on your daily lives.

Your wheat and livestock growers cannot prosper without good incomes and high consumption in the rest of the country, and in other countries too. The same thing is true of the Columbia River fisheries. Oregon's lumber industry will have good times only if our Nation builds the houses our people need.

And it works the other way, too. The Nation needs the products of your agriculture, your forests, and your fisheries. The whole country becomes stronger when Oregon and the Northwest grow and prosper.

We are a Nation that advances by cooperation and mutual benefit. We do not want any State, or any group, to grow at the expense of another. Our strength—and the strength of free men—is in a society that

works to bring better living to all the people.

We have demonstrated in our country that we can all move forward together. I believe profoundly that this forward movement is going to continue.

I believe that ultimately it will extend to the farthestmost corners of the earth, and

that, with the United States as a shining example, we shall succeed in bringing greater welfare and freedom to all mankind the world over.

Thank you.

NOTE: The President spoke at 6:30 p.m. from a platform erected near the train station at Pendleton, Oreg.

123 Telegram to the President of the Senate Concerning Reorganization Plan 12 of 1950. May 11, 1950

UNDERSTAND that the Senate will shortly vote on reorganization plan number twelve, relating to the National Labor Relations Board.

Plan twelve will correct an administratively unworkable organizational set-up and will put the procedures of the Labor Board in line with those of all the other independent regulatory commissions. The procedures of the Labor Board are at present a glaring exception to the procedures of the other commissions.

The issues now involved in consideration of plan twelve are not matters of personalities, neither do they go to the substance of the controversy over the Taft-Hartley Act, as opponents of plan twelve have attempted to argue.

No group of men could efficiently operate the two-headed freak which the organization of the Labor Board now represents.

The history of this matter leads me to believe that most of the opponents of plan twelve are more concerned with politics than with the merits of the proposal.

Last year, the Senate passed a bill, commonly known as the Taft-Smith-Donnell substitute, which its sponsors said was designed to meet legitimate criticisms of the Taft-Hartley Act. Among the provisions which that bill contained, as passed by the Senate, was one to abolish the office of the Independent General Counsel of the Labor

Board and transfer the functions of the office back to the board itself. Thus, the administrative procedures act of 1946 would have been relied upon to maintain the necessary separation of Judicial and Prosecuting functions of the board. That is exactly the object of plan twelve.

On June 29, 1949, Senator Taft made the following statement on the floor of the Senate in support of the proposal which now appears in plan twelve.

"I believe that the amendments which we have suggested are important. Perhaps the most important one is the elimination of the Independent General Counsel. The difficulty which arose with the Independent General Counsel was that he took a different view of the jurisdiction of the board than did the board itself. He would bring a case which he thought was covered by the act. After a year's litigation the Board would rule that it was not covered by the act. In the last analysis the board determined the results, but in the meantime there was confusion. There was a difference of opinion. There was difficulty in the separation of powers.

"Under the Administrative Procedures Act, which was passed since the passage of the original National Labor Relations Act, the Judicial and Prosecuting functions are largely separated, although not entirely so. The procedure goes back to the board.

However, we felt that on the whole that separation accomplished the purposes we were trying to accomplish in not having the same people bring the prosecution, try the case, and then judge those who they themselves had indicted. That was one of the strong protests made by the Labor Unions, and we felt that it was sufficiently justified to go back to the Administrative Procedures Act and rely upon that for a fair treatment by the board."

Nothing has happened since June, 1949, when Senator Taft made that statement, to change the need for correcting the existing

unsound administrative organization of the Labor Board. In fact, the contrary is the case. The need for change is greater now than it was then.

Plan twelve is in the best interests of sound government organization and administration. I urge that the Senate give the plan its approval.

HARRY S. TRUMAN

[Honorable Alben W. Barkley, Vice President of the United States, Washington, D.C.]

NOTE: Reorganization Plan 12 of 1950 is printed in House Document 516 (81st Cong., 2d sess.). It did not become effective.

See also Item 66.

124 Rear Platform and Other Informal Remarks in Washington, Idaho, and Montana. May 11, 1950

[1.] COULEE CITY, WASHINGTON (Rear platform, 8:20 a.m.)

Senator Magnuson, Governor Langlie, Governor Bonner, and other distinguished guests:

I have two Cabinet members with me this morning, the Secretary of the Interior and the Secretary of Agriculture, so maybe we'll hold a meeting.

I appreciate most highly the cordiality with which I have been received in all these wonderful places in the States through which I have been. I am going up to Grand Coulee this morning to discuss some things in which you are vitally interested, and to explain to you how hard it is to get things like Grand Coulee done, and also to explain to you why it is that some people don't want CVA. I think the people want it—that sign there says so, anyway.

Somebody told me a story about Coulee City. Some fellow in the times gone by, when they had a branch line railroad here and a stage that ran through Bridgeport—I

heard this story about several other places, so I guess it will fit Coulee, too.

This gentleman was complaining very bitterly in his diary that he never did get here on a jerkwater train in time to catch the stagecoach, and coming back he never did get back in time on the stage to catch the train, and he finally came to the conclusion that the hotel man in Coulee had made a deal with the stage and the railroads so the stage and the train never would meet. That happens in a lot of places, but doesn't happen any more. The hotel fellows these days have to put out something good because the fellow in the car can just get in and go on to the next one if he doesn't treat him right.

I want you to understand that I am enjoying this trip. I appreciate very much the fact that the people are interested in the welfare of the country, they are interested in seeing their President, they are interested in trying to find out what he stands for and what he is trying to do.

Some 2 or 3 years ago I was out here traveling around all over the State of Wash-

ington, asking for votes. I am not asking for anything now. I am here to explain to you just exactly what I am trying to do, and I am trying to give it to you so that you will understand it, without its being garbled by anybody. You are getting it firsthand from the President himself.

I want to thank you very much for the cordiality with which we have been received all over the country, through Iowa, Nebraska, Wyoming, Oregon, and Idaho; and now we are making a start in the State of Washington here this morning. I know I am going to have the same thing to say when I get out of Washington.

Thank you very much.

[2.] GRAND COULEE DAM, WASHINGTON
(Address at dedication ceremonies, 11:15 a.m., see Item 125)

[3.] GRAND COULEE DAM, WASHINGTON
(Presentation of Distinguished Service Medal to Frank A. Banks, District Manager of the Grand Coulee Dam, 12:27 p.m.)

Mr. Banks, it is a pleasure to me to hand you the Gold Medal Award which goes with this Citation and Certificate. It is a beautiful medal, and I know you will treasure it as long as you live.

It has on the one side the Department of the Interior Building, and on the other side a buffalo.

It says it's for distinguished service to Frank Banks.

Congratulations!

[4.] WILBUR, WASHINGTON (Rear platform, 1:40 p.m.)

Thank you, Senator Magnuson. I am very glad to be able to stop for a few minutes this afternoon in Wilbur. I have just had

a most enjoyable and inspiring experience, and that was the dedication of the Grand Coulee Dam, one of the biggest projects ever undertaken by man.

One of the very greatest benefits that is coming from Grand Coulee is electric power. That power has been bringing new industries to this area, and it has been making a better life possible for everybody around here, both in the cities and on the farms. Farmers, especially, have been helped by power brought to them by the Rural Electrification Administration.

You know, it is hard to believe but we have only had the Rural Electrification Administration for 15 years. The REA has done tremendous things for farms all over the country, and I think it is appropriate that I help celebrate REA's 15th birthday today, May 11th, by telling a little of its history.

Of course, I don't need to tell you how the REA operates—right here in Wilbur you have the advantage of one of the lowest power rates in the entire country. Your electric cooperative is financed by REA.

When the rural electrification program got under way 15 years ago, only one out of every 10 families had electricity—every 10 farm families. Now, 83 percent of the Nation's farms are electrified.

The record here in the State of Washington is even more remarkable. Over 96 percent of the farms in this State have electricity. I wish we could do that well in Missouri.

I remember very well when I first went down to the United States Senate back in 1935, how the power lobbies and the other special interests were fighting against rural electrification. I was on the special committee that investigated the public utility holding companies, and that was one of the most remarkable hearings that ever I had anything to do with. We then passed the Holding Company Act, and the special inter-

ests said we were going to put everybody out of business, but we did not. There are more in business now than ever, and they are working in the public interest and not for some private individual.

They said that electricity was a luxury which only the rich could afford. They said that rural electrification would never be profitable. But the argument they used the most back in those days was that rural electrification was "socialism." Believe me, times never change for some people.

On the floor of the House of Representatives, one Congressman said REA would produce—and these are his words—"a bureaucratic and socialistic state." Has that happened in Washington, where you have got 96 percent of your farms electrified? I don't believe you are a Socialist State. Doesn't that have a familiar ring! Some people just never learn. They are still calling projects that would help every one of us "socialism."

That is why I am making this trip. I am out to tell the people the facts. Because when you know the facts, you are never going to be fooled by fancy scare words.

I am more than happy to have a chance to pay this little tribute to REA on its 15th birthday, and I am glad to do it right here in the great State of Washington, which has taken advantage of it better than nearly every other State in the Union.

I think one of the reasons you have been able to do that is on account of the project like this one right here we dedicated this morning.

I want to thank you all very much for this cordial welcome. I appreciate it very much.

[5.] SPOKANE, WASHINGTON (Address at Gonzaga University, 5:07 p.m., see Item 126)

[6.] SPOKANE, WASHINGTON (Junior Livestock Show, 5:45 p.m.)

Senator Magnuson, Mr. Funkhouser, and members of this wonderful show:

I am told that this is a regional affair, that it is made up of exhibits from several States and the surrounding territory.

It is a fine thing. I am very much interested in it—exceedingly interested in it, because the welfare of the Nation is wrapped up in a successful farm program.

I have with me today the Secretary of Agriculture, whose business it is to do all the things agricultural of this administration. I don't see why Senator Magnuson didn't let him come up here and assume the responsibility for this program.

I am told that I am to pin prize ribbons on these livestock winners, and that gives me a lot of pleasure, because that means that these young people have started on the right road, and so long as we have young people like this coming on, the welfare of this country is not in danger, and I am perfectly willing, when the time comes, to turn it over to them.

Thank you very much.

[At 5:55 p.m. the President received the Grand Champion Prize Ribbon. He responded as follows:]

Thank you very much. I am certainly glad to get that prize badge. Now I don't know what I am, or what I am a prize of, but I am going to keep that badge as a keepsake. Thank you very much for giving it to me.

It has been a pleasure to present these young people with these prizes. They are all wonderful-looking young people, and their livestock is just as wonderful as they are in the livestock line.

As I said before, I am perfectly happy to

have the welfare of this country in their hands.

Thank you very much.

[7.] SANDPOINT, IDAHO (Rear platform, 7:50 p.m.)

Thank you very much, Mr. Mayor. I appreciate this privilege. I have just received the finest welcome I think I have had anywhere in my whole career, during this trip; in Iowa, in Nebraska, in Wyoming, in Idaho, in Oregon, and in Washington. Now I want to thank you very much for this fine reception. You have given me the same kind of welcome I had yesterday morning when I made a number of stops in southern Idaho.

I traveled all along the Snake River, and now it is grand to be up here in this rugged country around Sandpoint. I have just been watching the scenery, and I never saw anything more beautiful in my life, and my whole staff feels the same way. I am sorry it will be dark when this train goes through Cabinet Gorge. I would certainly like to see that. I have been reading about it all my life.

I have celebrated two birthdays on this trip across the country. My own—for 66 years—was last Monday. Today is the 15th birthday of the Rural Electrification Administration. I helped to celebrate that by dedicating Grand Coulee Dam—a wonderful project which is already supplying tremendous quantities of cheap electricity to thousands of users.

Here at Sandpoint you have the headquarters of the first REA-financed cooperative in the Rocky Mountain region. This was the second cooperative west of the Mississippi, and it is nearly as old as the REA itself.

I hardly need tell you what benefits cheap

electricity means to a region. In addition to making life easier in homes and farms, it brings new industries, and lets old ones expand.

One of the industries in this part of the country that needs a great deal more power is phosphate mining. There are tremendous phosphate resources down south of here in Idaho and Montana. Farmers all through the West and Middle West need lots more phosphates. The power that can be brought into this region through great Federal projects like Grand Coulee and Hungry Horse should make it possible to develop a big phosphate industry.

I have been greatly impressed on this trip by what I have seen and heard about the wealth of mineral resources in Idaho, Montana, and Washington. These minerals aren't important just to you people, they are important to the national economy as a whole, and to the whole world.

There was a time when bigtime operators stalked through the Northwest, exploiting the cream of our mineral resources. They were men who exploited for their own profit, without thinking of the generations to come after them.

I have always maintained—and I always will fight for the policy that natural resources must be used so as not to destroy their value, and they should be used for the benefit of the Nation as a whole and not for any special individual.

In order to supplement our resources of critical minerals, we must take vigorous steps to add to our supply. The stockpiling program is designed to meet our national defense needs. Other measures are equally necessary. We must expand research to make better use of submarginal mineral deposits. We must search for new deposits of minerals. We must avoid waste in the mining, production, and use of minerals.

We must find ways to use substitutes for critical minerals.

I have been greatly encouraged by the development of the cobalt-copper deposits here in the forest areas of Idaho. We have not had nearly enough cobalt production in this country. You know, we get most of it from Africa—most of the cobalt comes from Africa, and I would like very much to see some prospector find enough ore for use here at home. It is important to national defense for us to speed up the development of new sources of cobalt in the district just north of here.

When we get more power into this area, and when we begin to develop the mineral resources here in the Pacific Northwest as they should be, there will be a tremendous industrial expansion.

When we get low cost power in greater quantities into this area, it will aid the metal mining industry through the establishment of lead and zinc smelting plants.

You know, there was a time when Missouri was the greatest producer of lead and zinc. That is not true any longer, because those mines are exhausted. The mines in Oklahoma are almost exhausted, so it is up to you to see that we have plenty of lead and zinc. It will be carried out in co-operation with the producers throughout Idaho, northeastern Washington, British Columbia, and Alaska. This will mean new prosperity and new wealth for all of you. It will mean a more prosperous and a stronger Nation. We need both prosperity and strength if we are going to keep our position of leadership in the world, so that we can work for world peace.

You know, there are people in the world who do not appreciate our viewpoint, they don't understand how we can live as a great country and still let the individual be his own boss. They don't understand that our democracy is one which comes from the

people up and not from the top down.

What I am trying to do is to keep our economic situation in such a condition that we can remain strong enough to show those people that our plan is much better than any other plan in the world.

We are for the welfare of the people of the whole world. We have no desire to exploit anybody. We want to help people. We want to make the world a better place to live in. We want to give everybody an opportunity to live as a man, and to live with his neighbors amicably. And that will make for peace in the world. That's all I am working for.

I appreciate very much your coming out here.

[8.] PARADISE, MONTANA (Rear platform, 11:20 p.m.)

Governor, I appreciate that introduction very much, and I hope that every Governor in the country will feel the same way about the way they are treated.

I always like to come to Montana. The people of Montana were very kind to me when I was out here 2 years ago and gave me a fine welcome. From the looks of this crowd here tonight in Paradise, it seems to me that you are going to outdo the welcome of 1948. And that is what I like.

You live in one of the most beautiful parts of the United States. I wish I had time to go up to Glacier National Park. I spent a great many summers in the national parks of the United States. When I lived in Missouri, I used to drive to the Rockies every summer with my family.

This time I am not out here on a vacation. I have been making a cross-country trip to talk to the people, and to tell them the facts and give them a report on the state of the Union. You know, the Constitution requires the President to give a report on the

state of the Union once a year to the Congress. I do that, but I don't think it is enough. Not very many people get a chance to read that message to Congress, so that is why I like to come out and let you take a look at me and let you hear just exactly what it is that I am working for.

In my speeches I have described the kind of farm laws we need that will put farm prosperity on a permanent basis. I have described the work we need to do to make better use of our natural resources—our rivers, our forests, and our minerals.

I want a small business program, the kind of laws that will help businessmen get the financing they need so that they can compete with the big, rich corporations.

All these things are of real importance to you people here in Paradise, because we can be well off only when all parts of the country are well off, and all groups of people in the country are doing well.

When we are all prosperous, we shall be able to keep the United States strong enough to maintain world peace—that is certainly the most important thing in the lives of all of us.

It has been a wonderful thing to see you here at this time of night. I was told that there wouldn't be anybody out here. I have

been told that at nearly every place I have been, but people always fool the prophets. I found that out in 1948.

Now, I have a telegram here from the senior Senator from Montana, which says: "Deeply regret that Mrs. Murray's critical illness prevents my being on hand to extend in person a cordial and warm welcome to the State of Montana. On behalf of all the people of our great State, I wish to express the sincere hope you will enjoy Montana's traditional friendliness and hospitality during your visit. You may be sure that the people of Montana fully support your leadership in the never-ending struggle to keep America strong and free. Kind regards and cordial best wishes, James E. Murray."

I appreciate that telegram, and I am sorry that Mrs. Murray is ill. I hope that she will be all right, and I hope it isn't fatal.

Now I am ready to present to you Mrs. Truman.

NOTE: In the course of his remarks on May 11 the President referred to Warren G. Magnuson, Senator from Washington, Arthur B. Langlie, Governor of Washington, John Woodrow Bonner, Governor of Montana, Oscar L. Chapman, Secretary of the Interior, Charles F. Brannan, Secretary of Agriculture, Frank A. Banks, district manager of the Grand Coulee Dam, Frank Funkhouser, president of the Junior Livestock Show, Floyd L. Gray, Mayor of Sandpoint, and James E. Murray, Senator from Montana.

125 Address at the Dedication of the Grand Coulee Dam. *May 11, 1950*

THANK YOU, Senator Magnuson. I didn't know I was that good. I appreciate very much the cordial words of welcome from Governor Langlie. I am more than happy to see so many Governors and ex-Governors and Members of the Congress here today.

This is a great occasion. And I thank all you good people for taking the trouble to come out to see me. I take it as a compli-

ment. I take it that you are interested in the public welfare and that you are interested in national public works.

As you know, I am on my way up at this time to make things more plain and understandable with the people who run this country. This Government is a government of and by and for the people. The only two men who are elected by all the people are the President and the Vice President;

and I will say to you that the Vice President has been doing his duty in going around all over the country explaining to the people what we are trying to do and why we are trying to do it.

I made it a point this time, when I agreed to come out here, to dedicate this great public project, to travel across the country and report to the people just as I report to Congress once a year.

This is a great occasion. We have come here to dedicate Grand Coulee Dam—one of the mightiest structures man has ever built.

I stood over there a while ago and listened to the statistics of it. And it is almost unbelievable—it is almost unbelievable.

With this dam, man's ingenuity and perseverance have dramatically transformed the energy of a mighty river into a great new source of national strength.

At the foot of this dam is the world's largest powerplant. It is already generating more low-cost electric energy than any other plant in the world. And it isn't through yet.

Behind this dam is a reservoir which extends 150 miles to the Canadian border. The water in that reservoir not only generates electricity. It helps to prevent floods. And soon, it will pour forth to irrigate thousands of acres of land which are now desert.

Grand Coulee Dam—with its tremendous power and irrigation benefits—is an instrument of our democracy, forged to contribute to a better life for ourselves and our children.

This dam was not built by accident. It is here because men with vision and determination fought for its construction. Men in the State of Washington—many of whom are here today—saw what this dam could mean to the Northwest and to the Nation. President Franklin Roosevelt, whose name honors the reservoir behind the dam, trans-

formed their vision into reality.

This dam had to be fought for. It had to be built over furious opposition. You remember what its opponents said. One Congressman said: "Up in the Grand Coulee country there is no one to sell power to except coyotes and jack rabbits, and there never will be." I hope he is here today—I sure hope he is here today. The other opponents of Grand Coulee said it would be a "white elephant." They said it would be of no more value than the Pyramids.

We can laugh today at such foolishness. Right now, the generators at this dam are being run at overcapacity, straining to meet the soaring demands for power. All about us in the Pacific Northwest—in this land that was called the land of "coyotes and jack rabbits"—new jobs, new industries, new opportunities have been created.

Today, those who opposed Grand Coulee are trying to cover their tracks. They are trying to jump on the bandwagon.

But they can't erase the record. They did not understand then, and they do not understand now, the progressive steps that are necessary to keep our democracy strong, and confident, and moving forward.

The fundamental error of those who opposed Grand Coulee was their failure to understand that the United States is a growing, dynamic country. They saw no need to plan and work for a greater future. The way things *were*, was good enough for them.

But the American people have never been satisfied with the way things have been in the past. Our whole history is a record of eager striving to make things better.

One hundred years ago, out here in the Northwest, men and women were opening up new frontiers along the Oregon Trail. They struggled and fought to create farms and cities out of the wilderness.

The opponents of progress would have you believe that the frontiers are closed.

They think we should now relax and struggle no more. Well, my friends, these are men of little faith.

I say to you that the American spirit which blazed the Oregon Trail is not dead. Here in the Northwest you are still pushing back frontiers.

There is no better example of that than this great dam. Less than 15 years ago, the energy of the Columbia River poured unused into the Pacific Ocean. It flowed past cities which were hampered by lack of power, and past farmlands which had been abandoned for lack of water.

In those days the people of the Northwest made their living primarily from timber and farming. They exported raw materials and imported finished goods. They lacked the power needed to process and manufacture their own raw materials.

Yet, through the heart of their rich country flowed the greatest potential source of hydroelectric power in the Nation—the Columbia River system. This area, tremendously rich in natural resources, was stifled, its future was limited, because it was unable to tap its own native source of power.

Today we are well on the way to harnessing that power. The imagination and vigor of free men have put the Columbia River to work.

The results are clear. The Northwest is no longer a backward colony. It is now one of the fastest-growing parts of the country. In the past 10 years, the population of Washington and Oregon has increased more than 30 percent.

Jobs—permanent, productive jobs—have been made available in new industries that have been established to use the Columbia's low-cost power. In the past 12 years, 11 new plants alone have paid more than \$135 million in wages and nearly \$50 million in taxes.

Power from the Columbia has not only served industry. It has made life easier in homes and on farms. The use of electricity on homes and farms in the State of Washington is more than twice the national average.

When Grand Coulee was being built, some thought it would hurt other parts of the country by drawing plants and industries from them. Of course, that has not happened.

The plants that have sprung up here were not moved from other States. They are new enterprises, adding to the productive capacity of the whole country.

The growing payrolls of the Northwest have made bigger markets for producers in every State. The products turned out here are needed elsewhere. Nearly half the aluminum of the United States is being produced along the banks of the Columbia. This aluminum is used everywhere in the country. A single rolling mill 90 miles from here—at Spokane—is providing basic materials for 600 factories, from Boston to San Diego.

And when we were trying to get those aluminum plants constructed, every effort was made to prevent us from getting it done. I was the chairman of the committee in the Senate which was working with all it possibly could to get more aluminum to win the war, and we were informed by the so-called aluminum experts that we were making too much aluminum then and we didn't need any more, we were turning out 300 million pounds a year now. Now we are turning out 3,800 million pounds, and we are short—and that's the reason we want to look forward and not backward or standing still.

What has happened here is what happens in the case of underdeveloped areas everywhere—in our country and the world. Sound, productive investment always makes

bigger markets and more jobs.

Not only is Grand Coulee contributing to the growth and strength of the Nation. It is also a paying proposition from the standpoint of the taxpayers.

When the dam was being built, it was attacked as a colossal waste of public funds. Well, that was just a colossal misstatement. The investment in the power facilities of Grand Coulee is being repaid right now, and with interest. And in a broader sense, the entire investment has already been repaid several times over in the increased national wealth that it has brought about.

We are not stopping our work at this point. The Grand Coulee project itself is not finished. More power generators are being added. And over the next several years we shall begin to put water on the land below here. Thousands of family-size farms will replace the present sagebrush.

Elsewhere in the Northwest, work on other dams is proceeding. Hungry Horse Dam in Montana, Chief Joseph Dam just down the Columbia from here, McNary Dam on the Oregon-Washington border, are all under construction. These and other dams are part of the great work that must be done to produce power, promote inland navigation, reclaim land for cultivation, and prevent destructive floods.

But even more than this is involved in the development of the resources of this area for solid growth. Forests and grasslands should be placed on a permanent, sustained yield basis. Soil should be conserved and improved. Fisheries should be protected and enhanced. Mineral resources should be opened up and developed.

All this work can and should go forward together. I can't emphasize that too strongly. Resources that occur together in nature must be developed and improved together.

This is the goal we are working toward

here in the Northwest. It is the same goal for which we are working in other parts of the country.

In the Central Valley of California, we are developing great power resources. With the help of that power, we are redirecting the available water of the Sacramento and San Joaquin Rivers to bring about the most productive agricultural use.

In the Colorado River Basin we are working to achieve the most sensible uses of the very limited water supply, and to expand the power supply throughout the basin.

Down in the Texas, Oklahoma, and Arkansas area, a number of dams are producing power, and others are being built. In that area also, as in the lower Mississippi Valley, soil conservation, flood control, drainage, and navigation work is going forward.

In the Southeastern States, we are moving ahead with the construction of flood control and power dams on the Savannah River, the Roanoke, and other streams. In that area, also, it is necessary to shift land uses to conservation farming and to restore the pine forests.

The Northeastern part of the country has great possibilities for the development of additional hydroelectric resources. Power from the redevelopment of Niagara Falls and from the St. Lawrence Seaway project will be nearly as cheap as the power out here in the Northwest. And it is just as badly needed. We should construct these projects as soon as possible. And there are also power sites on the rivers of New England which should be developed soon.

In the Ohio Valley, and around the Great Lakes, the principal work that is being done is on flood control, navigation, and soil conservation. There is also much need for reforestation.

The Missouri River basin is so large that it requires consideration of all aspects of resource development. From the high

plains in the West to the humid areas of the lower Missouri, this basin presents perhaps the most complex problem of all. The work that is necessary includes extensive development of flood control, irrigation, and power works, as well as increased conservation efforts on crop and rangeland.

I have left until last the mention of the Tennessee Valley. In that valley we have made more progress than in any other. There the idea of coordinated planning for all resources was first worked out and most completely applied. The Tennessee Valley Authority has been outstandingly successful in its area.

We have worked out a set of recommendations for a Columbia Valley Administration which builds on that successful experience but recognizes the different circumstances out here. Take one simple example. In this area, a farmer's right to the use of water is vital to his livelihood, and is protected by State laws. This is the way it should be, and the Columbia Valley Administration I have recommended would have no power to tamper with anyone's water rights.

The private power lobby, and other people who have selfish interests to maintain, say the Columbia Valley Administration would be a "superstate." Of course, that is not true. Ask the people in the Tennessee Valley. Ask the mayors of the cities and the Governors of the States in that valley whether the State and local governments are stronger or weaker as a result of the progress the TVA has brought. Ask them whether they have more or less influence on what happens in their valley with an agency that has its headquarters right there where they can deal with it at first hand.

They will tell you that the TVA is the greatest thing that ever happened in their part of the country.

I believe the Columbia Valley Adminis-

tration is a necessary step in the sensible, democratic development of the resources of the Northwest. I believe the people in this area think so, too. And when they make their voices heard, I am sure the Columbia Valley Administration will be established.

We have embarked, all over the country, on the task of fully developing our resources for all the people. This is a job that will take many years to complete. It will require sound and careful planning.

But it is a work that fires the imagination. We are undertaking to use the resources we have so that they will grow, not diminish, over the years. We intend that our children, and their children, shall live in a more productive and a more beautiful land than we do.

We shall not get the job done, however, by sitting still. We must continue to take positive action. And we shall have to continue to overcome the opposition of those who do not understand the greatness of our goal, and who fear some impairment of their selfish interests.

We will meet opposition from private power groups. Many of them—there are, of course, honorable exceptions—many of them do not want the energy of our rivers put to use as power and sold to the people at cost.

We have already met this opposition in building Federal projects. And the people have met the same opposition in localities where they wanted to establish local public power agencies, such as public utility districts and REA cooperatives.

This opposition of the private power companies is wrong. It would deny the people the benefits of low-cost power they themselves have brought about through public investment.

I am sure we will continue to overcome this opposition, just as we already have been doing and as we did in building Grand

Coulee—just as the people already have in Nebraska, in large parts of Washington and Oregon, and other sections of the country, where they decided to distribute power through public bodies and cooperatives.

The benefits of public investment must be passed on to the people whose tax money is being used. Those benefits must not be diverted for private profit. We will continue to fight—and win—for that principle.

No doubt we shall also have to fight those who think expenditures for resource development are a waste of public funds. They should have disqualified themselves by now. Their fantastic claims about Grand Coulee prove that they can't tell the difference between a waste of funds and a sensible investment.

Finally, we still have to fight those who imagine that every progressive action is another step down that famous "last mile to socialism." The facts continue to make that claim ridiculous. They called Bonneville and Grand Coulee steps to socialism. Now, I ask you—is private enterprise in the Pacific Northwest stronger or weaker as a result of these dams? Have you lost or gained industries and jobs? Do the people out here have less or more freedom? The answers are perfectly obvious.

It is clear that we must go ahead in every part of the country with our resource development work. And proceed we shall. We shall not be stopped by those who are

timid or shortsighted or selfish. We shall not be stopped by discredited claims and tattered slogans.

Our whole future depends on the wisdom and the maturity we bring to bear on our national problems. We are engaged in a great struggle to achieve peace in a world beset with danger and threatened by Communist imperialism. We shall be engaged in the struggle for peace for years to come.

If we are to be successful, we must display the adventurous spirit, the firm courage of our pioneering fathers. We shall not succeed if we follow the advice of those who look backward, sighing for the fancied security of an earlier time. We must have strong minds, ready to accept the facts as they are, and to make bold, new plans based on those facts.

We shall need the same kind of wisdom that saw Grand Coulee Dam when there was nothing there but desert.

We shall need the same kind of steady perseverance that built this mighty dam over the opposition of men with narrow minds and faint hearts.

With that kind of vision and determination we can build a world in which men can be free under laws of their own making and can live at peace with one another.

NOTE: The President spoke at 11:15 a.m. at Mead Circle in Coulee City, Wash., after an introduction by Senator Warren G. Magnuson of Washington. In the course of his remarks he referred to Governor Arthur B. Langlie of Washington.

126 Address in Spokane at Gonzaga University.

May 11, 1950

Senator Magnuson, Father Corkery, Governor, ladies and gentlemen, distinguished guests:

I am very glad to be here today at Gonzaga University. I appreciate very much your cordial welcome and the Certificate of Merit you have given me.

I shall highly treasure that wonderful certificate. I am highly pleased and highly complimented that you would think of giving me a certificate based on the quotations from speeches I have made in the past. I shall treasure it, and it will hang with the pictures that I will treasure most highly

when I cease to be President of the United States.

I am also pleased that Mrs. Lewis Schwel-lenbach is on the stand today. I was very fond of Lewis. I understand he was dean of the Law School at one time. He and I were in the Senate on the same day, and he was a Senator that you read about. You still have that sort of representation in the Senate in Senator Magnuson.

I have just come from dedicating Grand Coulee Dam, a magnificent structure which will bring untold benefits for generations to come to the citizens of the Pacific Northwest.

Grand Coulee Dam is an example of how we are developing and using our natural resources to create richer, fuller lives for our fellow citizens.

I often wish that creating new wealth from our natural resources was all we had to do to create a better life for our people. But a good society requires far more than progress in material things.

The good society we are seeking is based on order and peaceful cooperation, among men who share common ideals of freedom and justice. All these things are not easy to attain.

For a society is made up of men, who are often weak, and selfish, and quarrelsome. And yet, men are the children of God. Men have within them the Divine spark that can lead them to truth, and unselfishness, and courage to do the right.

Men can build a good society, if they follow the will of the Lord.

Our great Nation was founded on this faith.

Our Constitution, and all our finest traditions, rest on a moral basis.

We believe in the dignity and the rights of each individual. We believe that no person—and no group of people—has an inherent right to rule over any other person or any other group. Our Government was

established to secure individual rights, and to provide a means by which men working together, under laws of their own making, could promote the welfare of all.

Throughout our history we have moved toward these ideals. In economic life, in political life, in social life, we have gone forward. We have demonstrated that men *can* govern themselves, individually and as a group, and can advance their common welfare.

We are continuing to move forward every day toward greater freedom and equal opportunity for all citizens. This is a purpose each of us must strive to achieve, in his daily life, and in his own community. It is a purpose which, in some cases, requires collective action, through our elected representatives in local, State, and Federal governments.

One case that requires collective action is engaging our attention now in the national legislature. This is the problem of preventing discrimination in our country because of religion, color, or national origin. Such discrimination violates the basic moral principles of our society and our Government.

I sincerely hope that the Congress will enact legislation at this session to protect the rights of all citizens, to reduce discrimination based upon prejudice, and to insure that every citizen can participate equally in our national life.

The same moral principles that underlie our national life govern our relations with all other nations and peoples in the world.

We have built our own Nation not by trying to wipe out differences in religion, or in tradition, or customs among us, not by attempting to conceal our political and economic conflicts, but instead by holding to a belief which rises above all differences and conflicts.

That belief is that all men are equal before God.

With this belief in our hearts, we can achieve unity without eliminating differences—we can advance the common welfare without harming the dissenting minority.

Just as that belief has enabled us to build a great Nation, so it can serve as the foundation of world peace.

Nations can live together peacefully, working for their common welfare, just as we do in this country. If they believe in the brotherhood of man, under God, millions and millions of people, all over the world, know that in their hearts we can live together.

But many of these peoples are oppressed by disease and poverty. And many are under the control of tyrants. These people are prevented from expressing, in their daily lives and through their governments, their belief in the brotherhood of man.

The great problem before us in the world today is how to break through the barriers of ignorance and poverty—through the barriers of tyranny—and let the common people of the world combine their will for peace. That's all the common people in any country you can name want, peace and the right to live as they choose in their own countries. The greatest obstacle to peace is a modern tyranny led by a small group who have abandoned their faith in God. These tyrants have forsaken ethical and moral beliefs. They believe that only force makes right. They are aggressively seeking to expand the area of their domination.

Our effort to resist and overcome this tyranny is essentially a moral effort.

Those of us who believe in God, and who are fortunate enough to live under conditions where we can practice our faith, cannot be content to live for ourselves alone, in selfish isolation. We must work constantly to wipe out injustice and inequality, and to create a world order consistent with the faith that governs us.

That is why—even if our own existence were not at stake—we would have the obligation of working abroad as well as at home to bring about the conditions in which all those who share our beliefs can work with us for lasting peace.

We must strive to defend human rights abroad as vigorously as we work for them at home. The Declaration of Human Rights, drawn up in the United Nations, is a landmark in the long struggle to protect the rights of people too defenseless to protect themselves.

We must continue the great work we have so successfully begun of getting the world's economy back on a sound basis, of helping the underdeveloped countries of the world improve their standards of living, and of establishing a system of world trade under which all nations exchange their goods and services with mutual profit.

So long as aggression threatens, we must keep our defenses strong, and provide strong support to other like-minded nations who wish to build up their defenses.

I was highly impressed and highly pleased with that ROTC show of yours this afternoon, and it gave me a great deal of pleasure to present that flag to that organization that had come of age.

For these are the practical, immediate ways to protect our moral values, and to expand the ability of others to put those values into effect.

In the face of aggressive tyranny, the economic, political, and military strength of free men is a necessity. But we are not increasing our strength just for strength's sake.

We must be strong if we are to expand freedom. We must be strong if free men are to be able to satisfy their moral obligations.

It is the moral and religious beliefs of mankind which alone give our strength

meaning and purpose.

The struggle for peace is a struggle for moral and ethical principles. These principles unite us with religious people in every land, who are striving, as we are striving, for brotherhood among men.

In everything we do, at home and abroad, we must demonstrate our clear purpose, and our firm will, to build a world order in which men everywhere can walk upright and unafraid, and do the work of God.

Thank you.

NOTE: The President spoke at 5:07 p.m. from a platform erected in the quadrangle at Gonzaga University in Spokane, Wash. In his opening words he referred to Senator Warren G. Magnuson of Washington, Father Francis E. Corkery, president of Gonzaga University, and Governor Arthur B. Langlie of Washington. In the course of his remarks the President referred to Mrs. Lewis Schwellenbach, widow of Lewis Schwellenbach, former Senator from Washington and Secretary of Labor in the Truman administration from July 1, 1945, until his death on June 10, 1948.

Prior to the President's address he was presented with the University's Citation of Merit by Father Corkery.

The address was broadcast.

127 Rear Platform Remarks in Montana.

May 12, 1950

[1.] MISSOULA, MONTANA (7:22 a.m.)

After that introduction, I will have to deliver the goods, won't I?

This is a grand reception, and I appreciate your willingness to come out at this hour of the day—of course, we farmers think this is pretty late in the day—but I do appreciate the fact that you were willing to come out at this hour of the day to listen to what I have to say.

I was glad to meet your Governor yesterday at Grand Coulee. It has been a pleasure to see Mike this morning, and I am extremely sorry that Senator Murray's wife is sick so he can't be here.

I am told that this is one of the wonder cities of the great State of Montana, and looking at this crowd, I am inclined to believe it. One reason I like this city is because it has given me one of the finest men I know in public service, and that is my good friend Mike Mansfield. Mike works not only in the interests of his district in Montana, but Mike has a national outlook that is for the welfare of the country as a whole. He is not sectional. There are few men in this country, in the Congress or out, who can equal him in the farseeing grasp he has of the

country's international and domestic problems.

You know, some people will take a look at an acorn and all they can see is just an acorn. But people of Mike Mansfield's type are something different. They can see into the future. They can see a giant oak tree, with its great limbs spreading upward and outward coming from that acorn.

In Washington there are some men, no matter how hard they try, who can only see little acorns. I don't have to call any names, you know who they are. Even give them a magnifying glass, or even a pair of spyglasses, or even a telescope, they just shake their heads and all they can say is, "I'm sorry, I can't see anything but an acorn there."

Let me give you an example of how this little mind works. Down on the Colorado River, there is a structure of which you are all proud—Hoover Dam. Here is an interesting thing. When that dam was being planned back in 1928, it was violently fought by special interests. One Congressman from the same political party as the gentleman after whom the dam is named, had this to say about it in Congress: he said it would damage industry, it would waste the

taxpayer's money, and it would lead us into communism. That's real acorn thinking, I think.

Hoover Dam was built. I don't need to tell you that this democracy of ours is the world's greatest bulwark against communism, and it is stronger because of the great reclamation, irrigation, and power and flood control projects like that dam, and like the one I dedicated yesterday.

Not so far north of Missoula, up near Glacier National Park, we are building another great dam—Hungry Horse. It will be one of the largest concrete structures in the world. They told me yesterday that Coulee was the largest in the world, so you have got to make a pretty big one to make it larger than Coulee. And it will provide vast new benefits to this entire region.

Hungry Horse Dam will produce 285,000 kilowatts of power itself, and we will begin getting that power just 2 years from now. This is a key project in the long-range program for harnessing the great water power of the Columbia River basin. It is a major step toward the full development of Montana's water resources, much of which now lie idle and unused.

Hungry Horse Dam will be valuable not only in bringing cheap power to this area, but it will aid in the production of additional cheap power at some of the present and proposed dams farther downstream. It will be helpful in cooperating with them in giving cheap power all over this whole district. Its beneficial effects will snowball all the way along.

I am interested in seeing some of this power used to develop the important phosphate industry, that will bring new jobs to this State of Montana, and it will be a great boon to farmers all over the Western States. Hungry Horse will also be valuable for flood control.

When I was out here in 1948, I could see that the big floods on the lower Columbia River were really started by the upstream tributaries. We shall be able to control some of these streams by dams like this at Hungry Horse.

Like Hungry Horse, these dams have many values. And they are paying propositions for the taxpayer. The investment in power and irrigation are repaid direct, and the entire investment is repaid over many, many increases in the national wealth.

People don't take into consideration that the construction of public works such as Hungry Horse and Grand Coulee and Hoover Dams create industries, which create new jobs, which create prosperity for immense numbers of people.

Many people who talk loosely about the size of our national budget forget that many of our expenditures are investments which will make a stronger and a better country.

I often think that projects like this must make the Communists wonder. They must wonder how it is possible for free men, in a democracy, to plan and develop a vast country, and do it in ways which increase the liberty and the welfare of all the people. The Communists think the only way to run things is from the top down. Our system proves that it is much more effective to run it from the bottom up.

We will never be in danger from communism in this country as long as we keep looking forward and doing things to increase the welfare and freedom of our people.

I hope the country never gets into the hands of little men with acorn minds. Let us keep it in the hands of men who can see the trees, and who will work for a nation, and a world, at peace.

You people have been grand to me here in Montana, and I appreciate it, and I hope that on this trip I can persuade the people

of the Nation that it is their welfare we are working for.

I am out here to make a report to you, just as I would make a report to Congress, and I think you have a perfect right to that report. And I know you are interested in it, or you wouldn't get up this early in the morning to hear what I have got to say about it. And I thank you very much.

[2.] GARRISON, MONTANA (9:15 a.m.)

I am so happy to see all you schoolchildren out here this morning. I imagine you must have had a holiday today, didn't you? We have been traveling around over the country meeting people and explaining to them various aspects of the Government, because we believe that people are really interested in the Government.

I am more than happy this morning to have the Governor of the great State of Montana and Mike Mansfield, the Congressman from the First Montana District, here with me.

We have some tremendous problems facing us in the operation of the Government of the United States. The Government, as you know, is your Government. The President is your President. He is the only national official besides the Vice President who is elected at large by the whole country.

I deem it my duty, and it is a constitutional necessity for me to make reports to the Congress once a year on the state of the Union. This time I am going around over the country trying to make a report on the state of the Union to the people themselves.

I am glad to see you all this morning. I have been discussing the farm problems, reclamation, the national resources of the country; and yesterday, I dedicated Grand Coulee Dam to the uses of the people. That is one of the greatest projects in the history

of the world. When it is finally finished, it will create more than 2 million kilowatts of electricity. That is a wonderful thing. It was running yesterday at the rate of 1,580,000 kilowatts, and there were all sorts of gadgets for us to look at.

Not only does that dam create power for use in that section of the country, but it will also eventually lift water into the desert and put a million acres into cultivation. Sometime beginning in 1952, I think, the first irrigated farm will be opened up.

Now you have projects like that in Montana. Hungry Horse is one of them. That great dam will create 2,285,000 kilowatts when it is finished. It will create jobs. It will create cheap power. It will help this part of the world go into industry, and you can't lose anything by it, and neither can any of the rest of the country.

I explained yesterday that we have a Northwest power district, and a Southwest power district, a Southeast power district, and we hope to have a Northeast power district, if we can ever get the St. Lawrence development as it should be.

Then we have the center of the country with the Mississippi, Missouri, Ohio River Valleys which can be developed in exactly the same way. All that will create wealth, create jobs, create industries; and it helps the country.

There are some people who think that these things ought not to be done, because they like to have things stay just as they are. I am not one of them. I believe in progress, and I am happy to say that your Congressman, Mike Mansfield, believes in progress, too. He is one of our ablest public officials in this country, and I depend on him a great deal, because I know he has good judgment, I know his heart is right, and I know he believes in doing things for the benefit of all the people.

It has been mighty nice of you to come out here this morning. I am more than happy to see all of you, and I am glad I got this 5-minute stop here, so that I could get a chance to say a few words to you.

Thank you very much.

[3.] BUTTE, MONTANA (Address, 10:55 a.m., see Item 128)

[4.] HELENA, MONTANA (2:17 p.m.)

Governor, Congressman Mansfield, and ladies and gentlemen:

I appreciate very much this fine reception which the people of Helena have given me today. I certainly am glad to be here on Vigilante Day. I wish I could have seen that parade. I was glad to get a chance to see those floats alongside the train on each side. I think my family has enjoyed them as much as anything they have seen on the trip.

I appreciate also the introduction from Governor Bonner. I think he has given me a little too much credit, but I appreciate it just the same.

The Governor was with me yesterday at Grand Coulee, when I had the privilege of dedicating Grand Coulee. Today that dam is just about the biggest manmade structure in the world, it is generating more power than any other powerplant in existence, and in a few years it will be providing water for hundreds of thousands of acres.

Grand Coulee is a product of the vision and farsightedness of the people of the Northwest, people who can make bold plans for the future, and who not only can make the bold plans but who have the courage and the energy to carry them out.

I am glad that Canyon Ferry Dam is being built not far from here. While Canyon Ferry Dam is not as big as Grand Coulee, it will be of tremendous importance and

benefit to all this area. It should provide water for nearly half a million acres, and the power from Canyon Ferry will mean low-cost electricity for farms, city homes, and new industries.

Projects like Canyon Ferry benefit everybody in the country. They are a real investment in the future of the Nation as a whole.

You only have to travel across the country, as I have been doing this week, to realize what a wonderful future is ahead of us. Everywhere I have been, I have seen encouraging evidence of expansion and growth, and preparation for future prosperity.

Of course, I have met a few skeptics who have been saying that the country is going to the dogs. They say that we are going bankrupt, or that we are headed straight for socialism. But the fact is, these calamity howlers have been saying the same thing for years. They have always been wrong in the past, and they are just as wrong now as they were in the past.

Let us take a look at some of the recent progress we have made—progress, by the way, that we have made in spite of those same skeptics. Twenty years ago, we were at the beginning of a terrible depression that lasted over 3 long years. Beginning in 1933 we began a vigorous reform. By 1939 we were producing more goods and services than we had in the last boom year before the depression. Since 1939 we have done even better. Since 1939 the annual per capita income of our citizens, after taxes, has increased by more than 40 percent.

The income of farmowners, although it has slipped some in the last year or so, is more than 50 percent higher than it was in 1939. And annual wages and salaries of employees have increased about 75 percent. And, despite terrible howlings from some quarters, the annual income of corporate businesses, after taxes, has increased 100 per-

cent since 1939. Doesn't look very much to me like the country is going to the dogs.

I am convinced that we can do just as well in the future as we have done in the past. I am convinced that we can lift our annual output of goods and services to more than \$350 billion by 1960. This will be a one-third increase, and that increase will be good for everybody. Farmers and workers and businessmen can and should all prosper together.

I am convinced that by 1960 the standard of living of every industrious family in the country will be far better than it is now. I wish I had time to give you some statistics that come to me each month. I know, if you had a chance to study them, you would be just as optimistic and enthusiastic about our future as I am. Every month, and then quarterly, I receive an economic report from the economic advisers to the President of the United States, and that report goes into great detail on the situation as it develops in the country each month.

The reason I am optimistic, this report shows that employment is on the rise, that income is on the rise, and that prices are holding steady. It shows that unemployment is far less than it was at the beginning of the year. It shows that the output of goods and services is far greater than it was at the beginning of the year.

This report is a combination of all the reports in the country, made up from reports by the Securities and Exchange Commission, reports of the Department of Labor, reports of the economic experts on the Board of Trade, on the New York Stock Exchange, reports by the Chicago Board of Trade, reports from all the departments of the Government—the Department of Commerce, the Treasury Department—the reason I was delayed a little bit, the Secretary of the Treasury had to call up and talk to me about some business that had to be transacted over

the telephone; but the report gives the complete picture of the economic situation in the United States every 30 days.

And I know what I am talking about when I talk to you optimistically about what the future holds. And don't let anybody tell you anything different but that this Republic, the greatest in the history of the world, is on the road to becoming greater and greater. And when we do that, we will get peace in the world.

Of course, this won't all happen by just sitting down and waiting for it to happen. You have got to do something to make it happen. We must work toward the kind of farm program that will put farming on a permanently sound basis.

We need to expand and extend our social security laws; we need a housing program that will enable low and middle income families to own their own homes.

We must conserve and develop our national resources to better advantage, and that must be developed in the public interest and not for the "greed" boys.

We must see that our children get a good education.

If we have these measures, and others like them, then the United States will continue to grow and to prosper, and our Nation will continue to exert a strong force for peace in the world.

Since September 2, 1945, my whole time has been spent in an effort and an endeavor to get a lasting peace for the world. One of the first decisions I had to make when I was sworn in as President of the United States on April 12, 1945, after President Roosevelt had died, was the decision as to whether we should hold the San Francisco conference and form the United Nations. I said, "Yes, we will go forward with it," and we were successful in organizing the United Nations, and we are going to be successful in making it work for peace.

To do that, we must have the wholehearted support of the people of the United States for that purpose. That is the reason I am going around over the country reporting to you on just what conditions are, and what is necessary to obtain the world objective for which we work and pray.

I hope that you will inform yourselves completely on all the issues. I hope you will find out just exactly what is meant by the messages which I send to the Congress. I hope you will find out just exactly what the debates in the Congress mean. And I hope you will study very carefully those people who are trying to overturn our interest in the United Nations, and who are trying to put us back in the 1890's.

We are not going back—we are going forward, to 1960, and 1970, and 1980, and 2000. We are going to be better after each decade than we were when we started on that decade.

We can do that, if you will wholeheartedly help to do it, and work to do it—and that is what I am asking you to do. And that is the reason I am out here.

[5.] GREAT FALLS, MONTANA (5:25 p.m.)

Thank you, Congressman Mansfield. It is a very great pleasure to have had the opportunity to ride across the great State of Montana with your Governor and with Congressman Mansfield. The Congressman is one who really knows what it's all about, and who works at it. I like him very much.

I appreciate this welcome very much in this largest city in Montana. It seems to me that this great city knows how to do things. I have had a most successful and satisfactory trip across the country during the past week, and now I am on my way back to Washington.

On this trip I have been giving a firsthand

report to the people of the great Northwest and the Middle West about the problems this country is now facing, and what we are doing about them, and what we need to do in the future.

Here in Great Falls you are fortunate in having a fine newspaper, the Great Falls Tribune. I wish there were more Great Falls Tribunes around the country so the people could get the truth.

In the past few days I have been describing the great work we have been doing in conservation, irrigation, reclamation, electric power, and flood control. We have been building some magnificent structures like the Grand Coulee Dam, the Hungry Horse Dam, and Canyon Ferry Dam here in Montana. But these are only the beginning of the coordinated development of all of our natural resources. We need to speed up the development of our resources, if we are to keep our economy prosperous and expanding.

Down in Butte this morning, I explained what kind of labor-management laws we need on the books, and I explained why it is necessary to extend our social security system, and to expand and increase our systems of old-age insurance and unemployment compensation.

We have done some fine work in the housing field since the war, but we are still far short of our goal of having a decent home for every family in the country. Here in Great Falls, a city that has grown so rapidly in the last few years, you can certainly appreciate how badly we need a long-range, low-income, and middle-income housing program.

In Lincoln, Nebr., the other day, and at a number of other towns since then, I have explained the kind of farm legislation we need to put on the books. Our present price support laws have kept farmers' incomes

from dropping as badly as they did after the First World War. But they are not good enough. In the last 2 years farm income has dropped substantially.

One of the main improvements we need to make in our present laws is to provide for a system of production payments. This would help us make sure that the incomes of farmers would stay at prosperity levels, that we would get greater amounts of the kinds of foods we need, and we would avoid huge surpluses.

You know, to read some newspapers, you would think that no one supported the system of production payments to farmers that I just described. But the fact is, more and more people all over the country are realizing that production payments are exactly what we need.

For example, after my Lincoln speech the other day, I got a telegram from the Master of the Ohio State Grange, and he told me that he was very much in favor of the system. I have the telegram right here, if anybody has any doubts about it.

Also, at the Minnesota State Fair last fall, they held a—what you might call a poll, but this was an actual poll, the people were there, and they voted themselves; and it came out nearly two-to-one for production payments, but they didn't say anything about it in the papers that were against it.

The American people support the programs I have been discussing, when they learn the true facts about them. When the people understand these measures, they realize that they are vitally important to the future growth of this great country.

It is just as important to see that people in other countries learn the facts about the United States, and what we are doing for world peace.

We face a great problem these days: the menace of Communist aggression. The

Communists want to take over all the world, and they are trying to win converts to their side by telling preposterous lies about the United States.

Out of one side of their mouths they say we are weak and that we are going to collapse. Out of the other side they say we are strong, and we are getting ready to wage an imperialistic war. These lies are dangerous because there are millions of people in the world who don't have accurate sources of information, and who simply don't know the truth about the United States. And there are a lot of people right here in the United States that don't know the truth about their own country, and I am trying to teach them.

That is why I have been urging a great campaign of truth. I would like to see our newspapers, our magazines, our radios, and our motion picture companies join with the Government in spreading the truth to Europe, Asia, and Africa, about what we are really like in this country.

I think that when the people know the truth about the United States, they will turn to our side, not the side of communism. The Communists have an organization which does not believe in morals or ethics or truth. They work with lies, and they try to mislead people, and when they get control they are just a plain police state. You can't go anywhere, or do anything, or talk to anybody, without permission from those up above. That is not the kind of country we fought for and worked for since 1776.

I think we have got the greatest government in the history of the world, and I am trying to support that government with everything I have. I have sworn to support and defend the Constitution of the United States, and that is what I am doing as President of the United States.

I am out here telling you the facts as I see them. That is my job. Every year I

make a report to the Congress called the message on the state of the Union. I have made a trip around the country this time, giving the message on the state of the Union to the people themselves, so they will understand what I am trying to do, and I believe they do understand it.

Thank you again for this wonderful reception. I appreciate it more than I can tell you.

[6.] BIG SANDY, MONTANA (7:45 p.m.)

You know, I have been reading a lot of stories about Big Sandy, Mont., and most of them were most interesting. I have always wanted to see this location in the United States that was once one of the most famous cow towns in the country. I also heard from the brakeman on this train that this town during the war bought more bonds per capita than any other town in the United States, and I congratulate you on that, too.

Everywhere I have stopped on this cross-country trip of mine, large crowds have come out to see me. I appreciate that very, very much.

I think it means that the people are interested in their Government, and that they want to learn what the facts are about, what our Government is doing, and what I am trying to do, and what I am fighting for.

One of the subjects in which I am vitally interested, and which concerns you people here in the West very directly, is reclamation and irrigation.

Here at Big Sandy, you people are in the area which will feel the direct benefits from our construction of Tiber Dam, west of here on the Marias River. We have got a river of that same name in Missouri, also—named by the same Frenchman, by the way, too.

I understand that actual construction of Tiber Dam will begin this summer. Great reclamation developments like this all over

the country seem to cost a lot of money, but they bring back big returns. They are investments, not expenditures.

Tiber Dam will mean better incomes for the farmers now here, and opportunities for new farmers to come. It will help you build a bigger and more prosperous community.

By carrying out the projects like Tiber Dam, we are building a stronger and more prosperous country. We are laying the foundations for lasting farm prosperity. I am very much interested in seeing the farmers of this country well off. I grew up on a farm myself, and I know how hard a farmer's life can be. But a farmer's life these days is nothing like the life I had to spend. I have got a couple of nephews running the old farm together, and they do most of their farming sitting down. I used to stand up and walk to do mine.

We have been doing a lot in recent years to make farm life easier and happier. Bringing electricity to farmers has made them much more productive, and it has certainly made life on the farm much more pleasant.

Fifteen years ago, when the REA started, only 10 percent of the farm houses had electricity. Now 80 percent of farm homes have electricity.

Congress is authorizing a program—a Federal program—to extend rural telephone facilities. I am very pleased to see that, because I know how much telephone service means to people who are isolated, especially in areas where there are long and severe winters.

Government money spent to help improve rural life is one of the best investments we can make in the future of the United States. Better farmers mean a stronger Nation, and a strong United States is the best hope of a lasting peace in this world.

What I want to see is a balanced economy

in this great United States of ours. I want the farmer to have a fair share of the national income of this country. I want to see labor receive good wages so that they can buy farm products, and I want to see business, both big and little, prosperous and able to carry on the necessary distribution of the things that we need.

That is what makes a great country—a country in which all the people can share alike in its wealth. If we do that, then we are in a position before the world to say that our system of government is the best in the world—is the best in the history of the world.

If we can do that, eventually we will get a world peace without the necessity of having our young men slaughtered as they have been in the past.

Thank you very much for coming out here tonight. I appreciate it. It has been a pleasure.

[7.] HAVRE, MONTANA (8:45 p.m.)

Thank you very much, Governor, for that cordial introduction, I appreciate it most highly. It is a pleasure to have the Governor and Congressman Mansfield on the train today in the trip across Montana. I had thought at nearly every stop that all the people of Montana were there, but apparently they weren't, because most of them are here tonight.

Of course I am more than happy to be here this evening, and to see so many musicians in the audience. I understand that you are going to have a musical festival tomorrow. My only regret is that I can't stay over. Maybe you have heard that I like music, too. The fact is that my whole family is musically minded.

As I have traveled across the country in the past few days, I have been deeply im-

pressed with the new opportunities that are opening up for the young people of this country.

Many of you can't remember the days in the early 1930's, when young men and women were roaming the streets, looking hopelessly for jobs which never turned up. Those were days of despair, when the future looked black for everybody.

I hope you never have to go through a period like that, and I don't believe you ever will. We know now more about how to keep our country prosperous than we did in those days.

The young people who are growing up in this country now have many advantages that their parents did not have. All of us want our children to have a better life than we had, and it should be the constant aim of each generation to make things better for the next. It has always been a part of the American dream, and I think we have been successful in accomplishing it to a most remarkable degree.

However, I am very much afraid that we are in danger of losing ground in one field which is of greatest importance, and the one where we have taken great pride in our past accomplishments. That is the field of education.

You know, there is no person who has more influence on the life and outlook of the young—besides his mother—than his teacher. His teacher usually has a lasting influence on how he conducts his life after he is grown.

I can remember my first-grade teacher, and my second-grade teacher, and my high school teachers. And the ideals they tried to instill into me I still remember and try to live up to.

Our schools are already in difficulty in many parts of the country, and the greatly increased number of young children who

will be reaching school age during the next few years will place such a load upon them as to bring on a real crisis.

At the present time our schools are bursting at the seams. Buildings are at times too old, or too crowded, and we do not have enough teachers, and those we have are overworked and underpaid. Educational opportunities in rural areas do not measure up to those in the cities.

We urgently need to construct more schools, and to provide the transportation necessary to bring the children to the schools.

We also need to expand our vocational education program. Last year, only one-half the high schools in the country were able to provide a vocational education program for their students.

The plain truth is that the cost of providing adequate school systems has long been beyond the financial resources of many of our States.

I have proposed to meet this crisis through a program of Federal financial aid to the States and Territories.

The Senate has already passed such a bill, and I hope that the House will press forward to enact a law to aid education at this session.

Some timid people have raised the false bugaboo of Federal control over education. I do not believe in Federal control, and I do not want Federal control in the schools. I am wholeheartedly in favor of continuing State control over education.

The right way to meet this crisis is for the Federal Government to provide financial assistance to the States, and let the individual States decide how the money shall be spent.

This country has always been a land of opportunity, and I intend to do my part to keep it that way. The American people are deeply devoted to the ideal of universal free education. We must make sure that each

boy and girl does get a good education.

Money spent for education is a valuable investment in the future of this country. We should move forward and secure a brighter future for the generations in the coming years that will guide the Nation. There is nothing that could be more important to our country's welfare.

You know, the next generation will either face the greatest age in history, or it won't. And it is up to that generation itself to decide on the course it will pursue.

I think we are on the threshold of an age that will make the past 50 years look like the Middle Ages. I want to see this country go forward to the ideal condition which I know it is capable of. And I know that you young people can take us to that goal, if you go ahead with the proper education, if you learn to be the right sort of citizens of the greatest Republic in the history of the world.

There is nothing in the world to keep you from doing all the great things that are now before us—to work for peace in the world, and eventually we will get that peace, because it is right, and we are on the right side in trying to get it.

Thank you very much.

I forgot to mention the fact that Senator Murray's wife is exceedingly ill. He hasn't been able to be out here today because she has undergone a very serious operation. And I have had two telegrams from him stating that he would have been here had it not been for the illness of Mrs. Murray. I am certainly sorry about it.

[At this point a Chief of the Blackfoot Indian Tribe presented the President with an Indian bonnet and a peace pipe. A little later, as the train was pulling out of the station, the President remarked to the crowd as follows:]

Thank you all again. I appreciate those bands and the drum corps very much. I

want to thank the Chief for that bonnet and that peace pipe. I hope we can always smoke the peace pipe with the rest of the world.

NOTE: In the course of his remarks on May 12 the President referred to Governor John Woodrow Bonner, Representative Mike Mansfield, and Senator James E. Murray, all of Montana.

128 Address in Butte, Montana.
May 12, 1950

THANK YOU very much. I appreciate that introduction very, very much.

It is a pleasure to be here in Butte. I can remember, not quite 2 years ago, you gave me a grand reception. I drove through the town at that time, for I had a little more time, and I remember the grand performance which this wonderful band of yours put on for us that night. I will never forget it.

I remember that I was told by the then mayor of Butte that there were more people at the meeting than lived in the town. And I asked him how that happened, and he said, "Oh, they come from 50 miles around, they just want to see what you look like."

It looks to me like you not only want to see what I look like, but you want to understand what he stands for, and I appreciate it.

I thank you most cordially, Mr. Mayor, for the welcome this morning. I am very highly pleased with the way you have come to hear the report I have to make.

I came to the Pacific Northwest to dedicate Grand Coulee Dam. That dam is one of the most remarkable engineering feats ever accomplished. More electric power is generated there than in any other plant in the world. It will bring immense benefits to the people in the region that it serves and to our whole Nation. It is an outstanding example of how we can use our Federal power and our Federal Government to perform tasks that are so big they are beyond the power of any other agency through which the people can act.

This trip is giving me an opportunity to report to the people about their Federal Government. It is your Government. Every year the President reports to the Congress on the state of the Union. That is a good thing. But it seems to me that it is just as important for the President to report directly to the people who elected him. And that is what I am doing now.

In our democracy the Government is responsible to the people, and they are entitled to know just what the Government is doing. I find that one of the best ways for me to report to you is to come out here where I can talk to you face to face. And where I can say in clear, plain English that we all understand, just exactly what I am doing, and it can't be garbled by anybody.

I understand that some people have objected to my doing that. They give all sorts of reasons for their objections, but I think the real reason is that they are afraid the people might like it too well when the President comes out to see them. And I think that is exactly what is the matter with them.

Today, I want to report to you on some of the Government's activities and programs that are of particular interest to working men and women. But, first, I want to remind you that the welfare of all groups of the population is inseparable. Workers, businessmen, and farmers all depend upon one another—they all prosper together or they all suffer together.

I understand that you have had a clear

demonstration of that fact here in Butte within recent months.

This city depends very largely upon the production of copper. When the demand for copper fell off last year, it affected the Anaconda Copper Company. But the results didn't stop there. The men who worked for the company were also affected. There were layoffs in the mines and smelters.

Well now, things are looking up again. The market for copper has improved. The company's business is better again, and the men who had been laid off have been put back to work. In fact, I saw where someone was advertising in a Colorado paper the other day to get more hard-rock miners to come up here to work. And I have got a copy of that advertisement, and it is right interesting: "One hundred hard-rock miners wanted in Butte, Mont. Apply Colorado State Employment Service. The company recruiter will show you what to do and where to go. Anaconda Copper Company."

I am mighty glad to hear that there are jobs for people in Butte, and I hope it will always be that way.

However, you cannot be prosperous here unless the rest of the country is prosperous. Your jobs and the company's profits depend on what people are able to buy in New York, in Georgia, in Texas, and all over this great country of ours.

You have a vital and direct interest in the economic welfare of the entire Nation, and therefore have an equal interest in what the Government does to maintain the economic welfare of the Nation.

The Federal Government has always taken a hand in the country's economic affairs. Indeed, one of the purposes for which our Union was formed was to promote trade and commerce among the several States. Some people seem to forget that sometimes, but it is just as true now as it was when the Constitution was ratified.

During the last 17 years, however, the Government has played a larger part in our economic life than ever before. There is a reason for this, and one that is not hard to find. The reason is the great depression of the early 1930's—and the lessons we have learned from that depression and from the events since then.

We have learned that in a dynamic, highly industrialized economy such as ours, the Federal Government must use its strength and resources to prevent violent cycles of boom and bust. We learned during the period from 1929 to 1933 what happens if the Government stands on the sidelines—with men in high places merely smiling cheerfully and saying that everything is going to be all right. We have learned since 1933 that a government which takes positive action can supplement and support the efforts of private business in such a way as to keep our economy steadily expanding.

These lessons have been hard for some people to take. In fact, they deny them still. All of you, I am sure, have heard many cries about the Government interference with business and about "creeping socialism."

I should like to remind the gentlemen who make these complaints that if events had been allowed to continue as they were going prior to March 4, 1933, most of them would have no business left for the Government or anyone else to interfere with—and almost surely we would have socialism in this country, *real* socialism, not the kind they define.

The truth is that Government action during the last 17 years has been the salvation of private business in this country and has strengthened the private enterprise system against socialism, communism, and all the rest of the "isms."

Don't let anyone tell you that the Government should retire to the sidelines while the national economy goes back to the days of "boom and bust." The power of the

Government exists for the people to use. It would be folly for the people to be afraid to use their collective strength through the Government. And again I reiterate that it is *your* Government, and *you* run it.

The strength of the Government is being used now—and so far as I am concerned, it will continue to be used—to protect your jobs and improve your welfare. If there is anything wrong with that, I would like to have somebody tell me what it is.

Perhaps our most important single economic goal is to see that there are enough jobs for those who need them. This was the purpose behind the Employment Act of 1946. That act pledged the resources of the Federal Government for the maintenance of maximum employment, production, and purchasing power. We are now committed to using the full strength and resources of our national Government to keep our country prosperous. No one was more influential in getting that act adopted than your own Senator—Senator James Murray. And I am most sincerely sorry to hear of the illness of Mrs. Murray. I sincerely hope that she will have an early recovery.

You sometimes hear it said—and I think this comes mostly from the lunatic fringe among the reactionaries—that the Government promises to make it possible for people to live without working. You know, you are a reactionary lunatic to stay in the Government. They say our Government programs would make us a nation of deadbeats and loafers. Of course, that is just as absurd as it can be.

I think it *is* the responsibility of Government to help those who, because of old age or other disability, are unable to work, and those who, through no fault of their own, are unable to find work. I believe that the strong should help the weak, and I make no apologies for that belief, either.

But for men who are able to work, I want jobs—and not idleness. That's what they want, too—an opportunity to earn their own living. I have too much faith in the American workingman to have any doubt about his willingness to give full value received for the wages he is paid.

There is one thing I am accused of sometimes to which I will have to plead guilty. I am in favor of good wages. I think that the people who do the work are entitled to a fair share of the income from the product. I believe that they should share in the benefits of technological improvements and increased productivity. I believe that one of our goals should be a steadily improving standard of living for the American working man and for his family.

Our main reliance for seeing that the workingman gets a fair share of the benefits of our economy, is upon collective bargaining between employees and employers. This bargaining process is carried on between private parties, but it vitally affects the public interest. It is of the utmost importance to the whole Nation that negotiations between labor and management be conducted in good faith, with sincerity and patience, by parties who are able to bargain freely as equals around a table.

Before the passage of the Wagner Act in 1935, the status of collective bargaining in the United States was at a low ebb. Under the Wagner Act, great progress was made in the field of industrial relations. All too often we fail to realize that the progress achieved under that act had a lot to do with the improvement in our economic conditions which we have enjoyed. Make no mistake about it, the Wagner Act was one of the bulwarks of American liberty and prosperity.

Then came 1947 and Taft-Hartley. The Taft-Hartley Act emasculated the Wagner Act and subverted its purposes. The

avowed intention of its sponsors was to strengthen the hand of management. To do this, they devised a clever law which insidiously undermines the strength of labor unions.

The Taft-Hartley law hangs over the head of labor, threatening to destroy the gains of 15 years. There it will hang until we are able to replace it with a law that is fair both to management and labor alike.

That is something we must do—not only for the sake of labor, but for the sake of the whole country. I believe profoundly that the Taft-Hartley law is a substantial infringement of the basic freedom of collective bargaining.

I will not cease to fight for its repeal. That was in the Democratic platform. I made speeches all over the country in support of the Democratic platform, and I am still going to carry out that platform, because you elected me to do it.

In other fields we have made considerable progress since I last visited with you here in Butte.

Last year we increased the minimum wage under Federal law from 40 cents to 75 cents an hour. That probably did not have a direct effect on many people in this city. For, I am glad to say, most people who are employed here, in jobs which that law covers, already made more than 75 cents an hour. However, you will all benefit from the improvement it brings about in other parts of the country.

In the social security field the Congress has been considering a bill to strengthen our system of old-age and survivors' insurance. You will recall that I have pointed out many times how pitifully small these social security benefits now are, and how a great many people are left out altogether. I am confident that the Congress will complete action at this session on legislation which will do much to remedy both these shortcomings.

However, I must confess that I have been disappointed at the inadequacy of some of the provisions which are in the bill in its present form.

There is one governmental program with which some of you probably have had first-hand experience lately—that is, one of unemployment compensation. I am sorry if you had to fall back on it, but I am mighty glad that it was there for you to rely on, and I'll bet you are mighty glad of that, too.

This is an insurance system to help tide workers over periods when they are temporarily out of employment through no fault of their own. This system has thoroughly proved its value, both as a means of alleviating hardship among workers and their families, and as a support to our general economy by helping to maintain purchasing power.

However, this system—like the old-age insurance system—also needs modernization and strengthening. Benefit rates should be brought up to date, in line with today's prices. The duration of benefits should be extended. Additional workers should be given the benefits of the law's protection.

I have made recommendations of this nature to the Congress, and I hope that the necessary improvements in this law will be made.

I expect that you people are also interested in housing. You are interested in houses as homes for your families; and, if Butte is like other places, houses have been rather scarce lately.

Moreover, you people here in Butte have a special interest in seeing a high level of housing construction all over the country, because people who build houses use copper, and that's your main product here.

I have some things both good and bad to report about housing—mostly good.

Today, home construction is at an alltime record volume. Now, that did not happen

all by itself. One of the main reasons for it is that the Government has been helping to make credit available at low-interest rates for long periods.

However, not enough houses are being built for low-income families and middle-income families, who too often cannot pay today's prices for housing.

We have made real progress on one of these points. Last year we passed a law to provide assistance to the cities of the country in building low-rent public housing. It took a long time to get that law passed over the opposition of the real estate lobby, but we finally got it through in the first session of the 81st Congress.

So far, we haven't done so well on our proposal to build more housing for middle-income families. But we are going to keep on trying—just as we did for the public housing bill—and I am sure that we will get it eventually.

I have talked to you mainly today about programs which are of special significance in a great mining and industrial center such

as this one. But these programs are important not only to this community; they are part of a broad national effort to achieve higher incomes and better standards of living for all the people.

That is important to us.

It is also important to world peace.

We are now engaged in a great worldwide struggle to demonstrate that the free way of life is the way to the highest level of well-being for all the peoples of the world. To that end we must make our own economy even stronger, and must constantly improve the welfare of our people.

That is a job for all of us, whether we are in private life or in public life. We will attain these goals by working together for a common cause.

Thank you very much.

NOTE: The President spoke at 10:55 a.m. from a platform erected in front of the Northern Pacific Depot, at Butte, Mont. In his opening words he referred to Governor John Woodrow Bonner of Montana and Mayor Thomas R. Morgan of Butte. In the course of his address he referred to Senator James E. Murray of Montana.

129 Rear Platform and Other Informal Remarks in Montana, North Dakota, and Minnesota. May 13, 1950

[1.] FORT PECK DAM, MONTANA (8:38 a.m.)

Governor Bonner, General Pick, ladies and gentlemen:

I have known General Pick for a long, long time. I knew him when he was engineer in charge down at Omaha. I knew him when he went to Burma and built the Lido Road, and I had the privilege of making him Chief of Engineers when he came back. I think he is one of the ablest men in public service.

We have paid a visit to the greatest concrete structure in the world—the greatest

concrete dam that ever has been built, over in the State of Washington.

I made up my mind that I was going to come by and see the greatest earth construction in the flood control business that has ever been constructed in the world. I was in the Senate when this proposition was first considered, and there have been just as many misstatements and garbled stories about Fort Peck Dam as there have been about any of the other constructions for the welfare and benefit of the people of this part of the country.

I made up my mind I would come by and see just exactly what it looked like so I could

understand the statements that are sometimes made about it, and that is why I am here.

I should like to congratulate the Corps of Engineers and all the people who worked on this project on what has been accomplished here. Projects like Fort Peck have contributed to the welfare of the entire Nation. Fort Peck itself has helped prevent floods, has helped navigation downstream, and is producing great quantities of electricity.

We don't have enough Fort Pecks, however, to give us the protection that we need. We still have serious floods in many sections of the country.

I am deeply concerned with the reports I have received about the floods in North Dakota and Minnesota, and about the recent floods in southeastern Nebraska. We need a great many more flood control projects before we can be safe from catastrophes like these.

In the 13 years since Fort Peck Dam was first put into operation, the benefits from its flood control features alone have been estimated at \$50 million. I am told that this figure is the damage which the Missouri River Valley would have suffered from the floods if this project had not been built. Flood heights have been reduced as much as 3 feet downstream at Omaha.

Fort Peck has also helped navigation. During the war years, for example, the Fort Peck Reservoir supplied enough water to float landing craft, built at inland shipyards down the Mississippi.

Two years ago, when there was record low water on the Mississippi River, Fort Peck Dam made it possible to continue navigation on the river. Otherwise, river navigation might have been seriously hampered for several months.

Fort Peck is supplying power in North Dakota, Montana, and South Dakota. All

told, when tied in with the other main stem projects now under construction, I understand that we can get 185,000 kilowatts from Fort Peck.

In addition, the reservoir behind the dam is becoming a great recreational center for this whole region. I am told that 90,000 people visited here last year, and camps for Boy Scouts and Girl Scouts and other groups are being built.

This is an example of how we get many different kinds of benefits from sensible planning and development of our natural resources. This shows that the funds we spend on flood control, reclamation, irrigation, and public power facilities are not expenses. They are investments in a bigger and better country.

People who criticize the Federal budget often overlook these facts.

When a manufacturing corporation builds a new factory, that is not just an expense, it is a capital expansion. The company may have to float a bond issue and go temporarily into debt. The board of directors of the company are willing to go into debt, because they know that they will more than get their money back as the company grows and produces more products.

Projects like Fort Peck are investments in the future of our country, just as a new factory is an investment in the future of a corporation. You should keep that fact in mind when you examine the Federal budget.

We need more projects like Fort Peck.

I just want to say a word to you about this great valley in which we landed yesterday—I guess it was about the time we left Butte and came over the Divide—we came into the drainage area that is known as the Missouri Valley.

The Missouri Valley is a tremendously rich valley, and in connection with the upper Mississippi Valley, north of Cairo, and the

Ohio Valley from Pittsburgh down, it is the greatest breadbasket in the world. It has difficulties to face in the form of flood control, communication, and transportation.

I have been exceedingly interested in the proper development of all these great river valleys. I was in the Columbia Valley the other day, and made some suggestions about proper procedure for developing that valley. I have made some suggestions about the Central Valley of California. I have made some suggestions about the Connecticut Valley in New England, and I have made some suggestions about some of the South-eastern rivers, and the Arkansas and Red Rivers in Texas and Oklahoma and Arkansas.

This Missouri Valley development is a three-way proposition. It is radically different from a great many of the other rivers in the country, for the reason that it has navigation to consider, it has flood control to consider, and the other power facilities, such as are at this dam. The flood control dam can also be used as a power facility, as you can see.

The difficulty with the Missouri River is from Sioux City to St. Louis. It is a mud river—carries more silt than any other river in the world. Even the Yangtze doesn't carry any more silt than the Missouri. Mark Twain once said that in a wet season you could pour the water of the Missouri from one vessel to the other, if you pushed it and stirred it around enough.

I have seen dust storms rise up right out of the water of the Missouri River. You can't understand that, but the reason is there is a sand bar out in the middle of the river, and when the wind blows, it comes right up out of the middle of the river.

What I want to do is create a situation for the development of the Ohio, Mississippi, and Missouri Valleys on the basis of the great

Tennessee, and what I have suggested for the Columbia, but it has to be done in a different way, for we have a different project and proposition to look at.

Flood control is of vital importance to the Missouri River, from Sioux City to St. Louis. Now, in 3 years in that valley, due to floods, some \$500 million worth of crops were destroyed. Five hundred million dollars properly spent would prevent that flood situation in the whole Ohio, Mississippi, and Missouri Valleys, and twice that much would accomplish the purpose which we have in view. And there have been in the last 10 years enough crop losses to have paid for the development of all three of those valleys.

I think I understand the situation, to some extent, for I spent most of my life on the Missouri down in Kansas City. Independence, rather—Kansas City is a suburb of Independence. I know something about how it happened, and I know something about what ought to be done to cure it.

Now, there is a reclamation proposition in the thing. There is a flood control proposition in the thing, and there is a navigation proposition in the whole setup. And Reclamation, and the Engineers, and all the other departments of the Government interested in this sort of development ought to cooperate to get it done. And if I can succeed in getting all those agencies to cooperate, and then get about 15 or 20 Governors of the States in the frame of mind to look after their interests, I think sometime or other we will get this job done as it ought to be done.

This is the first step out here. This is only the first step. Now let's go ahead and finish the job, because it means the proper development of the great Mississippi Valley, and if the great Mississippi Valley doesn't wake up and do its proper development, all these great developments in the other parts of the

country are going to take the population, they are going to take all the industries, they are going to take everything we have.

And if we do the valleys of the Mississippi, Ohio, and Missouri on the basis that they should be, we can look forward to the ability to support the immense populations which we will have in the year 2000 and 2050. That is what this generation should be looking after, and that is the idea I am trying to put over on this trip around the country.

I want to thank you very much.

[2.] GLASGOW, MONTANA (Rear platform, 9:25 a.m.)

We have a very short time to spend here, I am sorry, but I do appreciate this wonderful welcome we have had here.

I also appreciate most highly the privilege of having seen Fort Peck Dam, with the man who is in charge of it, the Chief of Engineers.

I have a recollection of this town of Glasgow, along about 1906 or 1907. I came up and registered for a claim on the Rosebud Indian Reservation. I didn't get the claim, my number was about 59,000; but I enjoyed the trip, anyway.

I am glad to be back once more.

I appreciate again very much the cordiality of your reception here.

[3.] WILLISTON, NORTH DAKOTA (Rear platform, 12:15 p.m.)

Mr. Mayor, ladies and gentlemen:

It certainly is good to see you here in Williston. I am very glad to be in North Dakota today. This is my first visit to your State since I became President, and I am looking forward to a most pleasant day.

In the past few weeks, I have been very concerned about the floods which have been causing so much damage in North Dakota

and Minnesota. These floods are a warning that we cannot stop or slow up our work of building flood control projects throughout this part of the country.

Early this morning, I visited Fort Peck Dam, and saw it in operation. Since Fort Peck has been finished, it is estimated that it has already prevented at least \$50 million worth of flood damage. In addition to that, it has been providing power, and is storing water for use in irrigation.

I was told by the Chief of Engineers there this morning that Fort Peck Dam can hold all the flood waters of this whole season until July, when they would then be gradually released after all the lower floods were over.

We must build more projects like Fort Peck and Garrison Dam to prevent floods and to give us power and irrigation water.

I understand that there has been some concern around Williston that Garrison Dam will put Williston under water. I want to assure you that this concern is not warranted by the facts. The plan for Garrison Dam includes complete protection for Williston. It also protects the Lewis and Clark and Buford-Trenton irrigation areas. Otherwise I would not have approved it.

We have devised a system of levees and flood walls which will fully protect both this city and all the surrounding area, which is most important to the economic life of Williston.

I am familiar with the kind of levees and flood walls which will protect Williston. We have some of the same kind in Kansas City, Mo. Those levees and flood walls protected Kansas City from floods, and as a result the city has grown because new factories and new industries were willing to come there.

Garrison Dam is a sound investment which will pay big dividends in the future. It will supply electric power for farms and factories, for mines, and homes. It will en-

courage industrial expansion. It will provide irrigation for water on farms.

This is a part of the work we are doing to build a stronger and more prosperous nation. We have a wonderful future in this country, if we will all keep on working hard and doing the progressive things that need to be done.

And we must build a better future for our country, for farmers, for workers, and for businessmen and everyone else. This is the greatest thing we need to do to achieve world peace.

It certainly has been grand to be here this morning, and what pleases me most is to see these signs around here. They look to me like you have been studying the situation and understand what we need.

I think when the people understand exactly what we are driving at, that there will be no difficulty in convincing them that we are right, and that we are working for the interests of all the people, and not just a few.

That is what I am out here for, trying to tell you why and what I am trying to do, and letting you make up your own minds. I am making a report on the state of the Nation to the public and to the people, and I am having a good time doing it. I don't think I have ever had such a welcome or seen as many people—well, I would say not since 1948.

Thank you very much.

[4.] MINOT, NORTH DAKOTA (Rear platform, 4:20 p.m.)

Mr. Minot tells me he is a descendant of the founder of this town. That is a wonderful thing. I am most happy to be here today and have this opportunity to talk with you. The mayor also told me that this is the biggest crowd he has seen here. Now that is really something.

I have had a very fine trip across the coun-

try during the past week, during which I inspected Grand Coulee and Fort Peck Dams. These show what can be done to control our great river valleys, and how we can prevent disastrous floods like the ones that are causing so much damage here in North Dakota right now.

I have also been telling people where I stand on a number of important matters, such as our farm laws, labor and social security laws.

You know, the Government exists to help the people of this country live better lives and build for a more prosperous future. That is why we have set up a social security system. This system will not be complete until it provides security against the major economic hazards in life. We have made good progress in the last 17 years in providing protection against some of these hazards, such as unemployment or poverty during old age.

But there is another great hazard that every single one of us faces, where the Government has not yet lived up to its responsibility. That is the need for protection against ill health.

Here in Minot, you are very fortunate in having some wonderful hospitals and clinics. There are very, very few cities the size of Minot in the United States, particularly in the farming areas, that have the kind of medical care that you have here.

Throughout the United States we need more hospitals, more doctors, and more nurses. We are well on the road toward getting more hospitals in some parts of the country where they are most badly needed, but we are still a long way from training enough doctors and nurses.

Rural areas have an especially difficult time of it. More than one-third of the counties in the United States do not have a single full-time health officer. We need more local health centers, public health clinics, and

health programs, such as chest X-rays for every part of the country. But the finest facilities in the world won't help the family that can't afford them.

Medical care costs a lot, and it is becoming more and more expensive everywhere. Too many people are going without medical care because they can't afford it. If our families are going to have their chance at getting the kind of health services we know how to provide in this country, we must find some way of helping them foot the bill.

I first became interested in this problem of medical care when I was a county judge in Jackson County, Mo. I learned then that there is plenty of medical treatment for those who can pay for it. There is some medical care for those who can't pay a nickel. But the man in between often has a hard time paying his health bills and his medical bills and his hospital bills.

There is a perfectly practical and sensible way to solve this problem. That is by setting up a health insurance plan.

Under this system, people would call their family doctor or go to a local hospital, just as they do today, but the doctor or the hospital would be paid out of insurance funds to which the patients had been contributing regularly. This is being done right now in many private health insurance plans, like the Blue Cross and the Blue Shield. I am very glad to see that private health insurance is moving forward rapidly. In fact, I think I have given it a kick.

But it is perfectly obvious that some way must be found to provide more complete protection and to pool insurance risks on a nationwide basis, if health insurance is to serve all our people, at a cost they can afford. That is what I have recommended.

A lot of people, who do not understand how the health insurance plan would work, have attacked it. I think they just don't know the facts.

The health insurance plan would *not* put doctors on the public payroll. It would *not* nationalize any hospitals. It is simply the commonsense way to meet a serious problem, and I am going to continue to work for a broad nationwide health program. It is necessary to keep our country strong and healthy. It is necessary, just like broader social security, better housing, and better schools, and a better distribution of the natural resources of this country.

I think that the country is for the welfare and the benefit of all the people. If we stay strong, if we increase our economic strength, if we hold our military strength at a point where nobody will dare attack us, there is not a doubt in the world but we will eventually attain a world peace, which is what we pray for continually.

To do that—to accomplish that purpose—we must ourselves show the world that our way of life is better than any other way of life in the world. And I know we can all do that. That is what I want to show.

[5.] NEW ROCKFORD, NORTH DAKOTA
(Rear platform, 6:05 p.m.)

I deeply appreciate this fine greeting. You know, we have got a magnificent train here. We left the last stop, Minot, 24 minutes late, and if I am not mistaken we came here right on the second. I'll say that engineer is all right.

I am glad my schedule takes me through North Dakota. I have been very deeply concerned by reports I have received about flood conditions along the James, the Heart, the Cannonball, and Red Rivers. A great many homes and farms have been seriously damaged, in some cases completely destroyed. Now we have got to prevent these devastating floods. We can't sit still and let nature take its course, any more than we can sit still and let the economic cycle of

"boom and bust" take its course.

The General Services Administration, the Army Corps of Engineers, and the Bureau of Reclamation have been working here in North Dakota, along with the State and local agencies, to check disastrous floods. The entire Sheyenne River Valley would have been seriously flooded if Baldhill Reservoir had not been in operation during this spring season. Even though Baldhill is not fully completed, the existing dam stored half of the flood waters from the basin above the dam.

Baldhill Reservoir saved Valley City, 12 miles downstream from the dam. I have been told that it prevented flood damages of probably half a million dollars in Valley City alone. Likewise, I have been told that the construction of Heart Butte Dam saved the city of Mandan.

These are examples of what can be done to overcome floods. In other sections of the country, such as down in the Tennessee Valley, for example, we have a sufficient number of flood control projects so as to eliminate nearly all danger of floods. We need more great coordinated programs like that in other parts of the country. Those projects are worth many times their cost. They are not an expenditure, they are an investment.

I said this morning at the Fort Peck Dam that proper flood control in the Missouri Valley over the last 7 or 8 years would have saved the farmers along in that river valley more than \$600 million; and the whole project itself would have cost less than that. Now, if that is not a good investment, I really don't know what an investment is.

Of course, right now it is too late to do anything about the present floods, except to help the stricken areas. We must take care of those who have lost their homes, and had their farms flooded. We must rebuild roads and bridges that have been washed out.

I know you are doing this right now, and the Red Cross is helping out. I have asked all the Federal agencies to help out in every way they can, and I hope they are doing so. In response to a request from the Governor of North Dakota, I have allocated \$250,000 from the small emergency fund I have available.

But relieving the distress is not enough. We must plan for the future. We should make plans to store flood waters in reservoirs along all of these rivers and streams, in order to avoid future destruction, and to put the water to good uses. It should be used to irrigate dry land, to generate electric power, and to add to local water supplies.

All these things can be done in a way which will protect the people of North Dakota in the future, and will bring additional prosperity to your State.

I have enjoyed being here with you in New Rockford, and I hope that you and your neighbors in North Dakota will join me in the efforts to make this State—and our Nation—a better place in which to live.

I don't think I have had a more cordial welcome anywhere on the trip than I have had since I came into North Dakota. The people have been anxious to hear what I have to say. They have been most cordial to me. I can't tell you how very much I appreciate it.

[6.] FARGO, NORTH DAKOTA (Address, 9 p.m., see Item 130).

[7.] BRECKENRIDGE, MINNESOTA (Rear platform, 11 p.m.)

I am glad to be back here in Minnesota once more. I had a grand time here about 2 years ago, when I was running for office.

During the past week I have traveled across the great plains and the Rocky Mountains nearly to the Pacific coast, and back

again through Montana and North Dakota. I have been reporting on what the Government is doing and how it is working with your State and local governments to build a better America. In the last few days I have been talking particularly about reclamation and flood control.

What has been happening this last month in northern Minnesota, in North Dakota, and in Canada, proves the necessity of our going ahead with flood control projects on a national basis.

North of here, along the Red River, a great many cities and towns have been overrun by devastating floods. The Army, the National Guard, State governments, the Red Cross, and other agencies are all working together to relieve the distress. I have allocated \$150,000 from the President's emergency fund to help restore some of the damage done by these floods in Minnesota. I have a very small emergency fund, and I have given you all I can.

But relief after floods have come does not help much more than locking the barn door after the horse has been stolen. These tragic floods bring home to all of us how important it is to prevent costly floods in the future. I have been glad to see your own Senator Humphrey taking the lead in working for flood control projects. And he happens to be on the train with me tonight.

Unfortunately, there are always some people who are afraid to plan for the future. Every time the Federal Government looks very far ahead, some of our opponents will yell it costs too much, we have got to cut the budget. And they have been trying to cut my budgets ever since I have been President. They always come up with a little more than I ask them to give me on a subject that I am not interested in, but they try to cut the things that help the country.

I happen to know that some people have

tried to say that to Senator Humphrey, but I am glad to know that he doesn't pay any attention to these cries of false economy. I am proud to say that he knows that a few dollars spent on flood control today will save a great many dollars in the future, not to mention homes, farms, industries, and even lives.

The same thing goes for all of our domestic and international programs. Some people cry that we should cut down on education, housing, and health. I say that this is the worst form of false economy. A few dollars spent here will pay rich investments in the future in building a higher standard of living, and a stronger Nation.

The economizers—they are not really economizers, they are anti-Trumanites—also cry that we must stop spending money on our national defenses and stop sending money abroad. This, too, is another form of false economy. It is going to be difficult and expensive—make no mistake about it—to get the world back on the road to peace.

But the expense is nothing at all compared with the catastrophe of a third world war. We have got to make sure that for every dollar we spend we get a dollar's worth of value. We have to have true economy by making sure we don't spend money on anything we don't actually have to have.

But we can't stand false economy if we are going to succeed in building a stronger United States and a peaceful world.

Now, I have been spending my time since Japan folded up in September 1945, trying to get a peaceful world. I have done everything I possibly can, and those who have been with me in the Cabinet have done everything possible, to obtain peace in the world.

Now, to obtain peace in the world, the United States must remain strong itself. In order to remain strong, we must have a

national defense establishment which is strong enough to meet the aggressors. We must have an economic setup that is strong enough to keep the country prosperous. That's all in the world I am working for.

I took this trip around the country just to explain to the people exactly what I am trying to do and what the Government is trying to do to obtain peace, and to maintain that strong economy.

You know, the Constitution provides that the President of the United States once a year goes down and speaks to the Congress on the state of the Union. Well now, what I have done since I left Washington a week ago—it will be a week tomorrow—I have been facing the people and giving the people a message on the state of the Union, and what I think will be best for the welfare of this country, and what I think will contribute to peace in the world.

I am here for that purpose, and I want you to see what I look like, and I want you to understand that I am not running for office. I ran for office in 1948, and had right good luck. I am merely reporting to you as the head of the Government, and as your servant. The President and the Vice President are the only men in the United States who are elected at large by the whole people of the United States, and I think it is right and proper that a report should be made to you

every so often, personally, by the man who is responsible for carrying on the executive branch of the Government.

I can't tell you how very much I appreciate this wonderful and cordial reception into Minnesota. This sort of reception has met me everywhere—at Galesburg, Ill., in Ottumwa, Iowa, in Lincoln, Nebr., in Casper, Wyo., in Pendleton, Oreg., and Grand Coulee Dam, Wash.—Butte and Great Falls, Mont., Minot, N. Dak. And at Fargo, N. Dak., just a while ago, they told me that they had the biggest crowd that Fargo had ever had in its history. And it looked to me like all the people in North Dakota were there.

Now here I have come into Minnesota, almost at midnight, and it looks to me as if everybody in this great State of Minnesota is here. They tell me there are more people up ahead of the train than there are behind it. I appreciate that more than I can tell you, and I am more than happy to have your Senator Humphrey with me on the train tonight. Thank you very much.

I am sorry that I can't present to you Mrs. Truman and Margaret. They have had a most terrific day, and they had to go to bed.

NOTE: In the course of his remarks on May 13 the President referred to, among others, Governor John Woodrow Bonner of Montana, Maj. Gen. Lewis A. Pick of the Army Corps of Engineers, and Senator Hubert H. Humphrey of Minnesota.

130 Address in Fargo, North Dakota.

May 13, 1950

Mr. Chairman, ladies and gentlemen:

I am glad to be here in Fargo this evening. I don't think I have seen such a crowd since, I think, 1948.

I have watched with great concern the reports of the floods which have swept through the Red River Valley, and other

valleys nearby. I understand that in some places these have been the worst floods since 1899.

Floods like these are not just local affairs. They concern the whole Nation.

I am glad that I have been able to allocate \$400,000 from the small amount—and

I emphasize that "small amount"—of emergency funds at my disposal to aid in relieving the distress in North Dakota and Minnesota. I have asked the Federal agencies to do everything they can do to help. I know they have been cooperating with your local and State officials, and private organizations such as the Red Cross, to hold down flood damage and relieve suffering.

But I know, just as you do, that no relief program can fully repair the damage caused by these great floods. Nothing can bring back crops lost, or cattle drowned, or topsoil carried away, or homes destroyed.

Relief after floods is not good enough.

We have got to prevent floods. We must control the waters from the point where they originate all the way to the mouths of the great rivers.

To do this we must hold more water in and on the land. We must build check dams on the small streams. We must construct large dams and levees on the rivers.

By doing these things, we will not only prevent disastrous floods. We will make water serve our purposes in agriculture, navigation, recreation, and the production of power.

You folks here in Fargo know how important this work is. The Baldhill Dam, on the Sheyenne River west of here, has been put into emergency operation to help out in this flood. And it has helped.

But Baldhill Dam is only one step toward the full control of the water in this valley, and in all the other great valleys of our country. Flood control in all these great valleys must be our goal.

This will take a good many years to accomplish. It will take great effort. It will take a lot of money. More than all these, it will take the conviction that the time, the effort, and the money are well spent.

I believe that money spent this way, to

conserve and make better use of our natural resources, is money soundly invested in the future welfare and prosperity of this great Nation.

Unfortunately, too many people still can't see this plain, obvious fact.

Some people *still* say, "Yes, it's a fine idea, but it would cost too much."

I wish those people could see the floods in the Red River Valley today. Their false ideas of economy would get a rude shock. They would find that it costs the country more *not* to act than it costs to act.

This whole job of trying to prevent disastrous floods, by controlling our waters for useful purposes, is a lot like what we're doing to bring about world peace.

Floods are natural disasters, which can be prevented.

Wars are manmade disasters, but they can be prevented, too.

The job of preventing another war is, of course, much more difficult than the job of preventing floods. But the two jobs are alike in requiring many years, tremendous effort, and a lot of money.

The people who say, "Yes, but it costs too much," complain about the cost of our Armed Forces, and the Marshall plan, and all the other work we are doing to build a peaceful world. They just complain about the expense of developing our natural resources. They never can seem to see beyond the ends of their noses. They just won't understand that it would cost us infinitely more not to act than it costs to act.

The cost of failing to build a peaceful, prosperous world would be a third great war—with an untold cost not only in dollars but in the lives of our young men and women.

Of course, there is much more to building world peace than simply investing part of the Federal Budget. Building a peaceful world

is a job that everybody has to work at, because everybody is concerned with its success.

Our churches, our schools, our labor, farm and business groups, our press and radio—everybody in this part of the country and in all this country has a part in this Nation's effort to win the peace.

You have seen a clear example of that, right here in North Dakota.

For the past 5 years, the farmers of this area have helped to save millions of people from starvation.

The wheat that has been going abroad from our farms has enabled millions of people in foreign countries to have the strength to stand up against communism and keep their countries free.

That has been a real contribution to peace.

We need to keep wheat flowing abroad. The people of other free countries need the wheat, for many of them do not have the agricultural land to produce their own. The farmers of North Dakota know from their own personal experience that the United States needs a dependable foreign market for wheat. Out of every 10 bushels of wheat we harvest in this country, 3 or 4 bushels are sold abroad.

We have been working for years to put our wheat trade on a firm basis. In April 1948 an International Wheat Agreement, which had been worked out with other countries after years of effort, was sent to the Senate of the 80th Congress. Under that agreement, we would have had a dependable market in foreign countries for nearly 200 million bushels of wheat each year for 5 years.

That was an excellent arrangement. It would have been good for every farmer and for every foreign county that needs wheat.

But the Senate of the 80th Congress did not ratify that wheat agreement, and it died.

That was a victory for the grain speculators, but a costly defeat for the wheat farmers.

After an event of some importance in November 1948 we had a new Congress, the 81st Congress.

We started all over again, and negotiated a new wheat agreement with foreign countries. Because of the delay, the terms of the new agreement had to be scaled down. But it was still a good arrangement. And this time, the Senate of the 81st Congress approved it, in June 1949.

The wheat agreement is just one example of the kind of forward-looking step that we need to take to build a healthy and expanding system of world trade. That is not an easy task. But it is a most essential one.

World trade is of fundamental importance to us in two ways. First, it affects the question whether we shall have world peace or world war. Second, it affects the question whether we shall have prosperity or depression in our own country.

It is sometimes hard for us to grasp the importance of foreign trade and relate it to our daily lives. I think it helps us to understand if we consider what has happened in our own country.

Our Nation has become strong and prosperous because the free flow of trade and commerce among all the States has made us the greatest economic unit in the history of the world. All the States have prospered because each could draw upon the resources of the others.

Try to imagine what it would be like if each of the 48 States were a separate country—each with its own system of tariffs, and customs regulations, each with its own separate rules about travel and trade across its borders.

It is hard for us to imagine such a thing, isn't it? But this much is clear. If such a situation existed, not one of the 48 States

would be as well off as it is today.

We must apply this lesson to our trading relations with other countries. The circumstances are different, of course, and require different treatment. But the fundamental principle is the same. A vigorous commerce among nations is beneficial to each of them just as it is among our own States. It increases their economic well-being, it provides a firm basis for peaceful relations.

We have in recent history a terrible example of what comes from ignoring these facts.

During the 1920's, our own country and many other nations of the world were governed by men who did not appreciate the importance of foreign trade. Their philosophy was that each nation should protect its own producers by keeping foreign competition out of the country. They lost sight of the fact that producers also need markets in foreign countries, that foreign trade is a two-way street. They ignored the fact that the whole world suffers when each country tries to make itself a tight little island with high walls all around.

These shortsighted men met every problem with the method of selfishness. When business fell off, they were sure the trouble came from foreign competition. The answer, as they saw it, was to keep foreign competition out of the country. So they increased tariffs and erected other trade barriers. When one country did this, others retaliated. Things got worse. Anybody who understood the facts about international trade would know they could not help but get worse.

But the economic isolationists could not see this. Their answers always remained the same—"higher tariffs," "more trade barriers"—"keep the foreigners out."

The result was inevitable. Economic conditions became worse and worse all over the world. Depression came, and grew deeper and deeper. More and more men were

thrown out of work. Hunger and unrest grew. Out of these chaotic conditions came the seeds of armed conflict.

Economic isolationism ran its bitter course to help bring on the Second World War.

Now, we are faced again with the kind of questions concerning foreign trade policies that followed the First World War. Postwar economic adjustments are creating marketing problems in some industries. We are beginning to hear the old outcry against imports.

There are some people whose only answer to these problems is the same as it was 20 or 30 years ago—"keep out foreign competition." But I say to you with all the earnestness I possess—"that is the wrong answer."

We must not again start down the road to economic isolationism.

An increase in world trade is not a matter of one country profiting at the expense of another. It is a matter of increasing prosperity for all countries.

Those who wail so loudly about an increase in United States imports are conspicuously silent about United States exports. But anybody with the least bit of commonsense knows that we can't have high exports, over the long run, without high imports. We can't sell if we don't buy. There isn't a man, no matter what his business is, whether he is a farmer, a laborer, a businessman, or a banker, who doesn't know that if a man can't sell his goods he can't buy any goods. And that is just as true of nations as it is of individuals.

Those who blindly oppose any rise in imports would, if they succeeded, return us to the pattern of trade reprisals and economic anarchy that did so much to create chaos in the world in the 1930's.

The United States cannot prosper behind closed doors or high tariff walls. The United States cannot hope to remain at peace behind such foolish, artificial barriers.

There are some employers and workers who are sincerely worried about the effect on their own businesses of an increase in imports. To them I say: do not be misled by the hysterical clamor of the high tariff lobby.

With a growing economy, such as ours, an increase in imports is a natural thing. The things we import add to our national wealth. They add to our standard of living. Much of the increase in imports will be in raw materials or manufactured goods that we do not produce here in our own country at all.

A gradual rise in imports over the next several years may, it is true, cause minor dislocations in our domestic economy—the same kind of dislocations that occur all the time in a dynamic economy, in which new products and new industries are constantly coming into the market. What do you reckon happened to the Baldwin Locomotive Works when the diesels came along? But you wouldn't ride a Baldwin when you can ride behind a diesel. It will not cause more than that, because our system of negotiating reciprocal trade agreements is set up so as to give full consideration to the claims of every domestic industry that fears possible injury from increased imports.

But we do not, and should not, try to shut out fair competition. Fundamentally, there is no more reason to be afraid of fair competition from foreign goods than there is from domestic goods. We have found in this country that competition leads to better quality, lower prices, and a higher standard of living. If we maintain our dynamic, expanding economy, we need have no fear of a normal increase in imports. I don't care where it is located, they can't compete with us if we make up our minds to compete honestly.

What we do need is to have a majority of the trading nations agree on a basic code of fair trade principles and practices, and agree

to settle their trade disputes in a spirit of give and take, and not in a shooting war.

We have such a code in the Charter of the International Trade Organization. Fifty-two nations signed this charter. The International Trade Organization provides a permanent conference table where nations can settle their disputes. I hope the Congress will ratify the charter soon, so we can set up the Organization and get on with the job.

This is the way to move forward to a world in which nations can trade with mutual benefit, in true international cooperation.

There is no room for economic isolationism in a world torn between freedom and Communist tyranny. The United States has no choice but to work with the free nations of the globe in mutual assistance and partnership.

I believe most Americans know this. But there are still a few who are too short-sighted or too selfish to work for the greatest good of the greatest number.

They are the same old "yes, but . . ." people who always stand in the road of progress. They no longer say, as they used to say in the 1920's and 1930's, "We are isolationists."

They've given up that line. Now they say, "Yes, we believe in international cooperation, but. . ."

And the "but" takes many forms.

They say, "*But* . . . we cannot afford the cost of the European recovery program."

In other words they say we can't afford to spend 1½ percent of our national income to keep Europe free!

Or they say, "*But* . . . it's not our business to help other free countries build up their defenses."

In other words, we should invite the Communists to overrun our friends, and leave us alone in the world. That makes a lot of sense, doesn't it?

Or they say, "Yes, we believe in international cooperation all right, *but* let's shut off imports from foreign countries."

In other words, they would cut down international trade, force down the living standards of other free peoples—and ours, too—and let the Communists take over!

The "yes, but" boys underestimate the intelligence of the American people, just as some people did in 1948. So far, *every effort* to return to isolationism has been defeated.

I am confident that we shall continue to cooperate with other free countries to increase our common welfare.

I am confident that we shall continue to defeat isolationism.

This is the way to defeat communism.

This is the way to build a prosperous world.

This is the way to achieve freedom and peace.

And I am just as sure as I stand here that you are going to cooperate with us and try to accomplish that purpose.

Thank you very much.

NOTE: The President spoke at 9 p.m. from a platform erected near the Great Northern Railway Station at Fargo, N. Dak. His opening words "Mr. Chairman" referred to B. C. B. Tighe, general chairman of the Arrangements Committee.

131 Rear Platform and Other Informal Remarks in Wisconsin.

May 14, 1950

[1.] ALTOONA, WISCONSIN (Rear platform, 6:45 a.m.)

Ladies and gentlemen:

I got up this morning just to greet you and say good morning—because I stopped here in 1948.

All I can say to you is that I hope you have a pleasant Sunday and that you will go to church.

I don't know of anything else that I can say to you this morning except good morning and I am happy to see all of you.

It is a pleasure to be able to stop here once more, and I appreciate the privilege.

[2.] ELROY, WISCONSIN (Rear platform, 8:50 a.m.)

I just want to say good morning to you this morning. I appreciate very highly your cordial reception.

I am on my way to Madison to dedicate a building and will go to church down there this morning.

I am not making any formal appearances. The only reason we stopped here this morning is because we stopped here once before, and I just wanted to greet you and say good morning.

I hope you will have a most pleasant Mother's Day and that all of you will go to church.

[3.] MADISON, WISCONSIN (Address at the dedication of the Credit Union National Association's Filene House, 2 p.m., see Item 132)

[4.] MADISON, WISCONSIN (Laying the cornerstone at Filene House, 3:22 p.m.)

Mr. Treasurer, these trowels are exactly alike. You take that one and give it to me. This one I present to you, and I hope you will treasure it all your life.

This is a wonderful ceremony. I have laid many a cornerstone, and I know how to do it, and I appreciate the privilege of doing this one.

I was well acquainted with the man to whom this dedication is made today. He has visited me many a time while I was a United States Senator, while I was Vice President, and while I was President of the United States.

He always had some constructive idea to

offer that was in the public interest, and never a selfish one.

It is a pleasure for me to be here today.

NOTE: The President's opening words at Filene House, "Mr. Treasurer," referred to John Eidam, president of the Credit Union National Association. Filene House was named in honor of Edward A. Filene, Boston merchant and philanthropist who had endowed the credit association.

132 Address at the Dedication of the Credit Union National Association's Filene House, Madison, Wisconsin.

May 14, 1950

Governor, distinguished guests, ladies and gentlemen:

It is a pleasure for me to be here in Wisconsin, one of the great progressive States of the Union. And I am glad to be in Madison, a State capital and a university center in which so much has been done for the progress of our great country.

I am happy to participate in dedicating Filene House, the international headquarters of the Credit Union National Association.

Credit unions offer people who have few resources a way of getting funds when they need them. I am told that last year, in the United States alone, credit unions had about 4 million members and made loans totaling close to \$1 billion. This is a splendid record. It is a tribute to the values of thrift and self-help and mutual assistance.

This building will serve credit unions in the United States and Canada, and other areas of the Western Hemisphere. It will be a truly international headquarters—and, as such, it symbolizes the international character of cooperative activities. In whatever country they may be found, these activities speak a common language and have a common goal.

Their common language may be found in the principles of self-help, mutual assistance,

and democratic control. Their common goal is to solve, by joint action, problems which cannot be solved by acting alone.

The effectiveness of cooperative action has been demonstrated in many ways. In our country, farm cooperatives and cooperative stores have been successful. The use of the cooperative principle has brought electricity to rural areas. The use of the same principle offers new ways to solve the housing problem.

In a broader sense, moreover, cooperative action is the method we are using to solve problems we share with other nations.

Today, the United States is engaged with other free nations in a great cooperative endeavor to preserve freedom and achieve peace in the world.

This is the greatest problem we face.

We cannot solve it unless we work together.

No one nation alone can bring about peace. Together, nations can build a strong defense against aggression, and combine the energy of free men everywhere in building a better future for all.

That is the way to achieve peace.

This is why it is in the interest of each of the free nations to help one another.

The United States is a part of a world made up of many nations and many peoples.

This world is constantly being drawn close to us by improved communications and improved transportation. It is also being drawn close—dreadfully close—by weapons of destruction which become ever more terrible.

We could not, even if we wanted to, go our own way and let the rest of the world go its own way.

You remember the situation when our own country was formed. There were 13 separate Colonies scattered along the Atlantic coast. Each of them could have tried to get along as an independent nation. But they were wise enough to realize the folly of such a course. They decided to band themselves together in a common cause. And out of that decision has grown the greatest nation the world has ever seen.

In many respects, the whole world is now in the same position in which those colonies found themselves in 1776. Remember, you can now go from Madison to Moscow much quicker than a man could go from Philadelphia to New York in those days. We must recognize that the march of events has joined the peoples of the world together, in a common destiny, whether we like it or not.

And yet the nations of the world are not ready, as the Thirteen Colonies were ready, to join together in one single government.

Indeed, one nation today is doing everything it can, short of war, to prevent common international action among nations. For the Communist philosophy feeds upon suspicion and hate and disunity. And the Communists are doing their best to break down the strength of the free nations of the world, in an effort to bring more people under the domination of their godless creed.

The greatest bulwark we have to offset the spread of this godless creed is our belief in a moral code, expressed in the 20th Chapter of Exodus and the Sermon on the Mount. It has been because of our faith, and the faith

of the people of other free nations under the law of God, that the tenets of communism have been rejected. We have seen this demonstrated in the countries of Western Europe, where despite tragic conditions existing in the aftermath of war, the Reds have been turned back even in the face of poverty, destitution, and misery.

This makes it more than ever necessary for us to work together with the other free nations, to preserve our freedom and to increase our common welfare.

If we are to achieve these ends, the free nations of the world must demonstrate that freedom leads to greater strength and a better life for the people.

One of the most important tasks that we must accomplish together is to create a sound economic system in the world. And to do that, we need to work together for more production in the free countries, and more trade among them.

Our own country has grown strong and great by increasing production in all parts of the country and by expanding our internal volume of trade. The same kind of growth can occur in the world. All countries will benefit from a growing volume of international trade.

But that trace has to be on a basis of fair competition and mutual benefit, among nations that stand on their own feet. That is what we have been working for ever since the war ended.

Our first step was to aid the recovery of nations whose economic systems were shattered by the war. We have given substantial assistance in the restoration of devastated areas and in the rehabilitation of industry and agriculture. The greatest example of this type of activity is, of course, the Marshall plan.

That program has been an extraordinary success. Three years ago, many of the Marshall plan countries were on the verge of

collapse and absorption by communism. Today, with our help, every one of them is stronger and better able to resist communism than at any time since the World War.

The success of the Marshall plan demonstrates the value of international cooperation. It demonstrates that helping people to help themselves is one of the best ways to maintain and strengthen freedom.

In the rest of the world, just as in Europe, joint action to increase production is the key to trade, progress, and security. One reason why there is so much unrest and insecurity in the vast areas of the world, is their low productivity and their inability to trade profitably with other nations.

The problem in most of the rest of the world is different from that in Europe. The primary problem in Europe is to reestablish and expand a modern industrial and agricultural economy. In the underdeveloped areas of the world, the primary problem is to build such an economy in the first place. And that requires a very different kind of action on our part.

The greatest needs of the underdeveloped areas are modern scientific and technical knowledge to increase their skills, and the investment of funds to increase their productive capacity.

Today, more than half the people in the world are undernourished. Millions of farmers in Asia and Africa and Latin America still turn the ground with crude wooden plows. They know little about improved seed. Their livestock is underfed and diseased. Many of them have never even heard of soil conservation.

As these people become better educated and healthier, as they get more roads and factories and powerplants, as they increase their output of agricultural and industrial products, they will slowly but surely come to play a larger part in the community of nations. In that way, they can attain progres-

sively better living conditions and renewed faith in the promise of the democratic way of life. In that way, too, the United States and other free countries can acquire new sources of the things we need and new markets for the things we produce.

I am very glad that both Houses of the Congress have authorized the Government to increase our program for aiding the underdeveloped areas to progress toward modern standards of health, education, transportation, and production.

I am determined that this work shall go forward energetically. I regard it as one of the most important factors in promoting trade and one of the main hopes for world peace.

These cooperative programs to build a world economy will bring increasing welfare to all free people, and are vital to world peace.

So also is the work we are doing to strengthen the common defense of free countries against aggression.

And so is the effort we are making to create an effective world political order through the United Nations.

All these steps are essential to freedom and peace. They are all ways of putting into practice, in our relations with other nations, the basic cooperative principles of self-help, mutual assistance, and democratic control.

The measures we are taking to bring peace to the world are necessarily imperfect. We are working to solve a problem larger and more difficult than any other we have ever faced. We shall inevitably experience setbacks, as well as successes.

But we must continue to move forward, strongly and steadfastly, in cooperation with other free countries.

We have no other choice.

Isolationism is no alternative. Isolationism is a counsel of despair. Isolationism

would bring on another war, and it would be a war in which we might stand alone against the rest of the world.

In our own self-interest, therefore, we must cooperate with other free nations. We must join with them in a common defense against aggression and in providing greater opportunities for human advancement.

But there is another reason why we must work together with the other free nations.

We have a moral duty to protect the exercise of freedom here and in other lands. As a nation we are committed to the principle of freedom because we believe that men are created equal. Freedom is a relationship between equals.

We believe that men are equal because we believe that they are all created by God. The religious traditions which have flowed together to make the foundations of this Nation all emphasize that every individual is an expression of the spirit of God, and should be respected on that account.

Because of that relation between God and man, we believe that each man in himself has dignity and individual worth.

Because of that relation, we believe that all men are brothers, who must strive to live together in freedom and peace.

We would be unworthy of our traditions—we would violate our fundamental beliefs—if we failed to acknowledge and to live by the principles of brotherhood which bind men and nations together.

We must continue to exert our energy and our will, in cooperation with those who share our beliefs, that together we may create on this earth a community of free men, living at peace with one another and working together for the common good.

We must not falter or turn back.

We must go forward, in the faith that we are following the commandments of God, who is the Father of us all.

NOTE: The President spoke at 2 p.m. at the Field House of the University of Wisconsin. In his opening words he referred to Governor Oscar Rennebohm of Wisconsin.

At the conclusion of his address the President was escorted to his awaiting automobile by the Governor, and the Presidential motorcade proceeded to the Filene House, about 2 miles distant, where the President laid the cornerstone at 3:22 p.m. (see Item 131 [4]).

133 Radio Remarks Opening the Savings Bond Drive.

May 15, 1950

[Broadcast from Chicago, Ill., at 9:54 p.m.]

WE HAVE just heard the voice of the Liberty Bell in Philadelphia opening the Savings Bonds Independence Drive.

The Liberty Bell first rang out for independence in July 1776. Then, it publicly proclaimed the Declaration of Independence, and gave notice to the world that the Thirteen States of the new Union were determined to work together to achieve freedom.

The spirit of cooperation and the spirit of freedom have been essential to the development of our Nation ever since 1776. They have made us strong and prosperous. They

have led to great growth in the size of our country, to a continuous improvement in our material well-being, and to ever-increasing enjoyment of personal liberty.

A government depends solely on the character of its citizens. A government of strong and free men and women is itself bound to be strong and free. That is the kind of government which we have here in this country.

Throughout our history, we have proved that each individual in this country could retain his freedom while at the same time joining in the united efforts of the Nation.

Americans of succeeding generations have shown the same spirit of cooperative endeavor that motivated our Founding Fathers in clearing the wilderness, exploring the great West, developing our abundant resources, and in building up an economy where each can receive his fair share.

Our belief in freedom is just another way of saying that the strength of a nation rests with its individual citizens—working together in joint effort. Now, more than ever before, the United States must lead in the practice of genuine democracy. The whole world looks to us to emphasize the superiority of a way of life in which the individual is preeminent. Everything that we do—or fail to do—is judged more critically than it has ever been in the past. It is the personal task, then, of each American to see that we continue to prove that our form of government offers each citizen greater opportunities than any other system of government in the world today.

But today, it is not enough to preserve freedom and the spirit of cooperation only within our own borders. We must encourage those same ideals abroad. In the modern world, where one strong nation seeks to dominate all mankind, freedom will survive

only if we cooperate with other freedom-minded countries in building common defenses against aggression.

That is why we are keeping our military defenses strong, and why we are helping other countries develop their military, economic, and moral strength. That is why we find it necessary for the time being to spend a great deal of money on our Army, our Navy, and our Air Force, and on foreign aid programs. This is money invested in the cause of peace.

Once again we are launched upon a united effort—a drive to “save for our independence” through the purchase of United States Savings Bonds.

I know that all of you realize the importance of the savings bond program. Thirty-four billion dollars worth of Series E savings bonds are outstanding at the present time. That is unmistakable evidence that the American people realize the importance of thrift, and appreciate the contribution which it makes to our continued independence.

The Independence Drive is a program in which all may work together to achieve personal financial independence and preserve our national freedom.

134 Address in Chicago at the National Democratic Conference and Jefferson Jubilee. May 15, 1950

Senator Lucas, Governor, Mr. Mayor, Mr. Vice President of the United States, fellow Democrats:

This pageant we have just seen shows the part that the Democratic Party has played in the building of our country.

The Democratic Party has helped to make this country great, and I am proud to be a Democrat.

In Jefferson's time, the American people created the Democratic Party to free them-

selves from the control of the privileged few. Since then, from time to time, the American people have chosen our party as their instrument to create the kind of nation that Jefferson dreamed of, a land of opportunity and justice for all.

The Democratic Party has always been the servant of the American people. It is still the servant of the people, working for equal opportunity and equal justice for all.

Since Jefferson's day our country has made

great progress. We are now one of the most powerful, if not the most powerful, nation in the world. We carry tremendous responsibility, as a result of that power.

The problems we face today are different from those of Jefferson's time. But the Democratic Party is still true to the great principles that shine through all that Jefferson said and wrote.

Thomas Jefferson had faith in the people. He believed that the people could govern themselves wisely, if they knew the facts.

The Democratic Party today still believes that. We believe in giving the facts to the people. That is what I have been trying to do on this trip to the Pacific Northwest.

I think it is a good thing for the President to get out around the country, as often as possible, and let the people know what he looks like and what he stands for. The President is elected by the people, and he has a duty to report to them.

Some Republican politicians don't seem to think the President should visit with the people. I was followed around on this trip by a representative of theirs. He had a private plane, and he showed up to see the crowds everywhere I stopped. I understand that he thought the crowds were disappointing—that is, disappointing to him.

The way he showed up everywhere reminds me of a little poem.

And it goes like this:

"I have a little shadow,
That goes in and out with me,
And what can be the use of him
Is more than I can see."¹

I don't know what my little shadow expected to find on this trip. But I'll tell you what he did find.

He found that the people like to have their elected officials come out and talk with them face to face. And that is what I propose to keep on doing.

¹ See Item 137 [18] and footnote.

I am going to express a personal wish now. I wish the opposition would come out for something and be a real opposition. A great political party cannot survive by being against everything that is for the good of the people. Remember the demise of the Federalist Party, remember the Whig Party and how it passed into oblivion. We need a strong two-party system in this great Republic of ours, and I sincerely hope that the Republican Party will profit by the examples I have cited.

The Democratic Party believes today, as it has believed for 150 years, that if the people know the facts, they will solve their problems the right way.

The Democratic Party, today, is the party of the mainstream of American life. It is the party of progressive liberalism.

We do not share the delusions of the extreme left. We reject the godless theories of communism. We believe in the free will of man, and in the democratic exercise of his rights as a human being.

We do not share the prejudices of the extreme right. We do not share their fear of change, or their delusions that we can go back to the past. We believe in progress. We know that you cannot get along in the atomic age with horse-and-buggy ideas.

We are willing to tackle the problems that confront our country on the basis of the facts as they are now—not as they used to be a long time ago.

And, above all, we believe that our country has before it, for all its citizens, a glorious future.

I know there are some people who do not agree with us. I wish all these doubting Thomases could have gone along with me on the trip I have been making to the Pacific Northwest and back. That would have convinced them—if anything could—that this country has a wonderful future ahead of it.

When that great dam—the Grand Coulee

Dam—was started, some people said there was no future in that. They said there was no one there to use electric power except coyotes and jack rabbits.

I wish they could see that place now.

I wish they could see the homes and farms, the cities and plants, that are using the power from Grand Coulee today.

I wish they could talk to the people out there about the plans they have for the future.

The people in the Northwest know what the Democratic Party means when it talks about progress—about an expanding economy. And so do the people in the rest of the country.

Now, some sour critics have been saying lately that my hopes for the future of the country are just idle dreams. I admit that I do have some ideas about a wonderful future for this United States of America. I do dream of making our country a better place to live in.

And what's more, there are a lot of Americans who share those dreams. I believe that every American family has a dream of a better future, and is working to make it come true. I want those dreams to come true.

The Democratic Party would deserve to be retired from office, and thrown into the ash heap of history, if it ever stopped dreaming of what we can do to make our country better.

But we in the Democratic Party are more than dreamers. We know that it takes hard work to make dreams come true.

The Democratic Party has never tried to tell the American people that they could make their dreams come true simply by sitting still and wishing.

Right now, the two biggest jobs this Nation faces are to assure an increasing standard of living for our people, and to achieve peace in the world. To do those jobs is going to take the hardest kind of work.

To achieve peace, we must cooperate with

other free nations in maintaining a strong common defense against aggression. To achieve peace, we must cooperate with other free nations in building a prosperous world. To achieve peace, we must cooperate with other countries in strengthening and improving the United Nations.

These tasks are all difficult, long and expensive. But we will not shrink from them, for they are the way to peace. They are the way to create a community of nations, at peace with one another, working for the good of all men. And that is one of our greatest dreams!

To assure an ever-expanding standard of living for the American people, we must have better farms and better factories, more businesses, and more jobs. We must have better health, education, security, and recreation for all the people.

We in the Democratic Party know that these things will come about only through progressive action and hard work. But we know they can come about—that we can make our dreams come true. We know that, because of the progress we have already made.

Look at the progress that business has made already.

You often hear it said that the Democratic Party is unfair to business, is taxing it to death, and has taken all incentives away from private enterprise. A great deal of propaganda is issued to try to make you believe that private initiative and private profit are on the last mile to extinction. But what are the facts?

In 1949 corporate profits, after taxes, were double what they were 10 years ago. In 1949 industrial production was 60 percent more than it was in 1939. In 1949 new investment in plant and equipment for business purposes was more than double what it was 10 years ago. These increases are in terms of real income, not just dollars. If it

was in dollars it would be a lot bigger.

Business was never so productive, vital, and energetic as it is today. All this talk about weakening private enterprise is sheer political bunk.

One of the reasons why business is strong and prosperous is that the income of the average American family has greatly increased in recent years. Since 1939 the real income of the typical wage earner's family has gone up 50 percent.

The same kind of progress has been made by farm families. Their real incomes have risen as much as those of the wage earners.

All groups in the economy have made progress together: businessmen, wage earners, and farmers have been moving steadily forward. We have all shared in the economic progress of the Nation. Why, they even raised the salary of the President!

The Democratic Party knows that the prosperity of all groups within the country is interwoven: the prosperity of business is linked with the prosperity of the white collar workers, and farmers, and industrial workers. And we believe that the Government must work with all these groups and plan for the future.

It is not enough simply to stand still—merely to hold our own. In this great Nation of ours, with its vast wealth of resources, we can have—and we should have—a constantly improving standard of living for everybody.

Now, the Democratic Party is planning ahead to achieve that goal. We have a program—a definite, positive program—for increasing our national welfare. We propose to build upon the experience of the last 17 years and strengthen the measures that have so thoroughly proved their worth during that period.

Our program is founded firmly upon the proposition that it is the duty of the Govern-

ment to serve all the people—not just the privileged few.

Our program is set out in the 1948 platform of the Democratic Party. That was the program on which I was elected to office, and I have been working to carry it out. And I am going to keep right on working to carry it out.

In trying to get this program through the Congress, we have met strong opposition from various oddly assorted groups. In many cases we have successfully overcome this opposition. In others, we have not overcome it—at least, not yet. But we will keep up the fight, and I think we will be successful before long.

I say that much of the success we have already achieved is due to the fine work of your own United States Senator, Scott Lucas.

As majority leader, he has been responsible for guiding our program through the Senate. And I can tell you from my own experience, it is no easy job to guide things through the United States Senate. For the excellent manner in which he has measured up to that difficult task, Scott Lucas is entitled to the gratitude of the entire Nation. And he deserves to be returned to the Senate from the great State of Illinois.

And I am happy to say that the people of Illinois sent him a worthy partner when they elected a new Senator in 1948, Senator Paul Douglas.

The 81st Congress is still in session. It is not yet possible to tell what its final record will be. But one thing is clear already. The 81st Congress has reversed the backward trend of the 80th Congress.

Of course there are still many backward-looking Senators and Representatives who have tried to defeat every progressive measure they could, and to obstruct and delay those they could not defeat.

Despite the efforts of these men, the 81st

Congress is moving forward. Its record will be a great deal better than the record of the 80th Congress.

The accomplishments of the 81st Congress will contribute greatly to world peace and will substantially advance the welfare of the American people.

This Congress has ratified the North Atlantic Treaty and authorized a program of military assistance to the countries which are our partners in that treaty.

It has extended the European recovery program and the Reciprocal Trade Agreements Act.

This Congress has approved an International Wheat Agreement which will greatly benefit our farmers.

It has strengthened the soil conservation and reclamation program.

It has restored the Government's power to acquire grain storage facilities necessary to carry out the farm price-support program.

It has taken action to make low-cost electricity available to more people.

This Congress has authorized a National Science Foundation.

It has increased the minimum wage under Federal law from 40 to 75 cents an hour.

It has enacted a far-reaching housing and slum clearance program that will benefit many of our citizens.

It has strengthened the program to aid in the construction of new hospitals.

The 81st Congress will pass other worthwhile legislation before it adjourns. One of the measures I expect to be passed is a displaced persons law—the need for which I pointed out in this stadium 2 years ago. I remember that night very well. You gave me a grand welcome then, just as you have tonight.

The Democratic Party will carry on its fight for its program during the remaining months of the 81st Congress, and after that

is over we will carry on the fight in the 82d Congress.

Now I hope by next January that some of the worst obstructionists will be removed.

We will carry on the fight—this year, next year, and the following year—because we are a party that is not afraid to dream and plan and work for a better future.

We will carry on the fight for international cooperation and against a return to isolationism.

We will carry on the fight to repeal the Taft-Hartley Act and replace it with a law that is fair to both management and labor.

We will carry on the fight to improve social security laws.

We will carry on the fight for Federal aid to education, to help the States remedy the disgraceful conditions that exist in many schools.

We will carry on the fight for a program to assist low-income families and middle-income families to obtain better housing. And you sure need it here in Chicago.

We will carry on the fight for a program to improve the Nation's health.

We will carry on the fight to conserve and develop our natural resources for the benefit of all the people and not just for a privileged few.

We will carry on the fight for an improved farm law that is fair to producers and consumers alike.

We will carry on the fight for a program of aid to small business.

We will carry on the fight for laws that will guarantee all our citizens equal rights and equal opportunities, and will lessen the discrimination based on religion, color, or national origin.

Now all these measures will help to keep this Nation strong and prosperous and to make it possible for us to meet our responsibilities in the world.

We must meet these responsibilities if we are to have peace and preserve our freedom. The strength of the United States is the bulwark of the free world today. Our cooperation with other free nations is essential to forestall Communist aggression.

The Democratic Party is dedicated to the cause of peace and cooperation with other Nations. We do not regard this as a partisan matter. We have worked—and will continue to work—with like-minded men in both political parties, in Congress and out, in the interest of world peace. But, my friends, honest cooperation does not require the Democratic Party to sacrifice its basic principles.

The Democratic Party will remain firm in the faith upon which it was founded.

We will continue to fight undemocratic elements in our society, whether of the left or of the right.

We will continue to seek progress through practical measures that are for the benefit of all the people.

I am convinced that this is what the vast majority of the American people want.

Now I have been making a crusade over this country, and I am going to issue an invitation right now—I am going to issue an invitation, which is always issued, for the spiritual revival of the people. I am going to invite all those who hold this view to join with us in the Democratic Party and work to the common good.

I am sure that this great party of ours will continue to serve the American people in their quest for a better life and the enjoyment of peace.

I am sure that our party will continue to follow the democratic way of Jefferson—the way based upon the faith in the people and their ability to solve their problems.

If we maintain this course, the people of the United States will move onward to accomplish greater things than we can now foresee, for the advancement of all mankind.

NOTE: The President spoke at 10:30 p.m. at the Chicago Stadium on the final evening of the 3-day conference. In his opening words he referred to Scott W. Lucas, Senator from Illinois, Adlai E. Stevenson, Governor of Illinois, Martin Kennelly, Mayor of Chicago, and Alben W. Barkley, Vice President of the United States. The address was broadcast.

135 Rear Platform Remarks at Cumberland, Maryland. May 16, 1950

THANK YOU very much, Governor. Cumberland is noted for its hospitality, as is all Maryland. Cumberland, as you know, has always been a customary stop with the Truman family when they travel back and forth to Washington. So we are familiar with the city, familiar with the people, and we like it.

I certainly do appreciate this wonderful reception. I am highly complimented that Governor Lane should come out to Cumberland to introduce me, and I appreciate that most highly.

And while I am about it, I might as well say that Maryland has two able and distinguished Democratic Senators. I served 10 years in the Senate with the senior Senator from Maryland—Senator Tydings. He is now chairman of one of the most important committees in the Senate—the Committee on National Defense, and he has handled it very ably. The Senator is also a member of the Foreign Relations Committee, and does an able job on that committee.

Senator O'Connor works for the welfare of the United States and for the great State of

Maryland, just as your Governor does.

I am on my way back to Washington after a trip to the Pacific Northwest. I have been in about a third of the States in the country, and I have made 56 speeches—this is number 57. I have been making a report to the people on our problems at home and abroad.

I have learned a lot, and I hope the people who heard me also learned something about how the country is getting along.

I am very much aware of the fact that here in Cumberland you are not sharing the prosperity that exists in most parts of the country. It is a tragic thing that thousands of people should be out of work, through no fault of their own, and with very little chance of finding a job soon.

There are several cities—like Cumberland—which are suffering from unemployment, even though the country as a whole is very prosperous.

The Federal Government is going to keep on doing everything it can to remedy local situations like this one in Cumberland, and to prevent such situations from arising again in the future. That is the objective.

I have asked the Congress to provide assistance to small business. All over the country, business firms are growing rapidly. The greatest growth, however, is in big business. Small companies find it hard to raise the money they need to expand, and the individual businessman who wants to set up a new company has a tough time borrowing the capital to get started.

Under the plans I recommended to the Congress, it would be much easier for small businesses to obtain funds to get started, or to enlarge. I understand that your local officials here in Cumberland are working very hard to get the new industries into this area. I hope the Congress will soon enact a bill to help the growth of more new businesses, because that would help cities like Cumberland.

The Federal Government has already done a number of things that will help in a number of other ways. When the Savage River Dam is finished next year, the water supply will be increased enough so that one of the companies here should be able to expand and to hire several hundred more people. The Savage River Dam is a good example of how a public project helps a local community to grow.

The Cumberland-Ridgely flood control project will also be a long-term benefit to Cumberland, because more companies will be willing to come here, once the threat of floods has been removed.

The public housing project which will be built here in Cumberland will provide a number of jobs, and it will improve living conditions for a number of families.

Of course, these long-range measures may seem far away when you are faced with unemployment right now. We are trying to help meet that problem, too, by turning over surplus food for the use of needy families, and by helping to feed children through the regular school lunch program.

Unemployment insurance has helped a great deal, too. It tides families over for a while, and it keeps business from falling off too fast. Local merchants would certainly have felt the pinch a lot sooner, and a lot worse, if it were not for unemployment insurance. I have been urging the Congress to improve the unemployment insurance system by enlarging it to cover more people, and to pay higher benefits over a longer period of time. Of course, unemployment insurance is no substitute for jobs.

I want every American to have the opportunity to work at a good job, and earn enough to support his family on his own time. I am working for that goal all the time.

I think we can build permanent prosperity here in the United States if we all work

together, but it will take the hardest kind of work, and complete cooperation by the Federal Government, and by the State and city governments and businessmen throughout the country.

On this trip around—all over the United States, I have been talking the conservation of resources, and unemployment insurance. Last night in Chicago I set out piece by piece just exactly what the Democratic Party stands for, and what the Democratic Party is trying to do. And I challenged the Republicans to come up with something better. And I also invited forward-looking people who have the welfare of the United States at

heart to come in and join the Democratic Party. That is the best way to keep this country going in the right direction.

I can't tell you how very much I appreciate this wonderful turnout in Cumberland this morning. You have welcomed me at the end of what I think has been a most successful tour to make a report to the people of the United States as President of the United States.

Thank you very much.

NOTE: The President spoke at 12:20 p.m. In his opening words he referred to Governor William P. Lane, Jr., of Maryland. Later he referred to Senators Millard E. Tydings and Herbert R. O'Connor, both of Maryland.

136 Address on the Occasion of the Publication of the First Volume of the Jefferson Papers. *May 17, 1950*

I ACCEPT with great pleasure the first copy of Volume One of "The Papers of Thomas Jefferson." On behalf of the people of the United States, I congratulate Princeton University and the Princeton University Press on undertaking to edit and publish the great series which this volume begins.

I should like to add a personal word of appreciation and encouragement to the editors for the years of hard work that are still ahead of them. I am very well acquainted with what many people call "paper work," and I appreciate the immense amount of painstaking effort which each of these volumes requires.

We should also be grateful to the New York Times for the financial assistance which that newspaper has given to help compile this complete edition of the writings of one of the greatest Americans. This edition will be of lasting value to our Nation for generations to come.

As many of you know, I returned to Washington yesterday from a visit to the Pacific Northwest. Traveling at what is today a

very leisurely rate, in 9 days I went nearly 7,000 miles through 16 States. In 1803 President Jefferson sent out two young pioneers to explore the same area I have just been through. Jefferson wanted to find out what was in the great new territory he had just bought from Napoleon.

Meriwether Lewis and William Clark took 28 months to make the round trip from the banks of the Mississippi to the mouth of the Columbia River on the Pacific coast. Where they found only Indian villages, herds of buffalo, and trackless wilderness and sagebrush, I saw great cities, immense structures like Grand Coulee Dam, and rich farmland. These sharp contrasts are only a few of many that point up the dramatic changes that have occurred in our country since Jefferson's day. Since the United States today scarcely resembles the United States when Jefferson knew it, why should the publication of his letters be so important to us?

The answer should be obvious, as we turn the pages of this first volume. Throughout his life, Jefferson waged an uncompromising

fight against tyranny. The search for human liberty was a goal which he pursued with burning zeal. The spirit of democracy shines through everything he ever wrote.

Today, when democracy is facing the greatest challenge in its history, the spirit which Jefferson expressed in his battle against tyranny, and in his search for human liberty, stands out as a beacon of inspiration for free peoples throughout the world.

Jefferson lived in a time of great struggle, when this Nation was trying to establish itself as a democracy of free men. We today, in a different time and under different conditions, are in a great struggle to preserve and expand human freedom.

Our stage is larger—our struggle must be waged over the whole world, not merely in our own country. But the essential nature of the struggle is the same; to prove, by hard work and practical demonstration, that free men can create for themselves a good society, in which they live together at peace, and advance their common welfare.

When freedom is at stake, we need to draw upon every source of strength we can. Jefferson thought deeply about how to make liberty a living part of our society, and he proved the rightness of his thinking by practical demonstration. That is why I think it is particularly important that we are reasserting Jefferson's ideals by publishing these volumes.

History can be fairly written only when all the facts are on record. Jefferson has suffered at the hands of unscrupulous biographers and biased partisans ever since his death. The publication of his papers should correct the mistakes that have been made about him and should help prevent misinterpretations in the future.

There are others like Jefferson whose lives have enriched our history, but about whom we know too little. Many of them have been victims of unfair treatment at the hands

of historians; others have been neglected because the record of their work is scattered about in remote places.

I hope that this edition of the writings of Thomas Jefferson will inspire educational institutions, learned societies, and civic-minded groups to plan the publication of the works of other great national figures. In far too many cases, there are incomplete and inaccurate editions of the writings of the great men and women of our country. In some distressing instances, we have only fragmentary records of men whose ideas and actions have helped shape our history.

I am convinced that we need to collect and publish the writings of the men and women who have made major contributions to the development of our democracy.

I am, therefore, requesting the National Historical Publications Commission, under the chairmanship of the Archivist of the United States, to look into this matter and to report to me. I am sure this Commission will wish to consult with scholars in all fields of American history, and to report what can be done—and should be done—to make available to our people the public and private writings of men whose contributions to our history are now inadequately represented by published works.

I am interested not just in political figures, but in the writings of industrialists and labor leaders, chemists and engineers, painters and lawyers, of great figures of all the arts and sciences who have made major contributions to our democracy.

Obviously, we cannot hope to collect, edit, and publish all the writings of all such leaders, but we can and should select the works of those who have been too long neglected and who need to be better known if we are to understand our heritage. This is a big undertaking. It will take a long time. It should be done as far as possible by private groups and not by the Federal

Government, although the Federal Government can and will be of assistance whenever possible. The editions should be in every instance completely objective and should maintain the same high editorial standards that are evident in this first volume of "The Papers of Thomas Jefferson." They should aim to place the facts beyond debate and distortion.

At a time when democracy is meeting the greatest challenge in its history, we need to turn to the sources of our own democratic faith for new inspiration and new strength. These volumes of Thomas Jefferson will be a

great reservoir of hope and faith during the critical years ahead. I sincerely hope that similar editions of the writings of other great men and women who have made our Nation what it is today can be placed with them.

I shall give my full support to this endeavor.

Thank you very much.

NOTE: The President spoke at 3:30 p.m. at the Library of Congress following the presentation of the first copy of the volume by Harold W. Dodds, president of Princeton University.

Sixteen volumes of the projected 52-volume series, "The Papers of Thomas Jefferson," of which Julian P. Boyd is editor, had been published by the Princeton University Press as of June 1965.

137 The President's News Conference of May 18, 1950

THE PRESIDENT. Please be seated.

I understand that these photographers are going to be here about 3 minutes and then they will leave. They just want to see what this place looks like.

[1.] I have got a statement I would like to read to you before we start on the question period.

"Mr. Schuman's¹ proposal"—this is mimeographed and will be ready for distribution when you go out—"for the pooling of the French and German steel and coal industries is an act of constructive statesmanship. We welcome it. This demonstration of French leadership in the solution of the problems of Europe is in the great French tradition. The wholehearted reception of this proposal in Germany is likewise encouraging.

"This proposal provides the basis for establishing an entirely new relationship between France and Germany, and opens a new outlook for Europe. There will be many difficult problems to solve in develop-

ing this far-reaching plan. I am confident, however, that the kind of imaginative thinking that went into the proposal can work out the details in ways that will benefit not only the countries directly concerned, including those who work in these industries and those who use their products, but also the whole free world.

"We are gratified at the emphasis the proposal places upon equal access to coal and steel products to all Western European countries, and upon the need for reductions in cost, through higher productivity, so that consumers can benefit through lower prices and workers through higher wages. We are also gratified to note, while the proposal protects the coal and steel industries against the shocks of readjustment during the transitional period, it does leave the industry open to receive, once the transition is completed, the full benefits of the competitive process."

That will be ready for your use as soon as we get through here.

[2.] Q. Mr. President, you have talked to us before on the subject, but I wonder if you could tell us what you make now of the

¹ Robert Schuman, French Minister of Foreign Affairs.

continuing trouble that the reorganization plans ² are having? They have disapproved four in recent days.

THE PRESIDENT. Well, it's a legislative—

Q. Mr. President, we can't hear back here.

THE PRESIDENT. All right, we'll yell a little louder.

It's a legislative prerogative to vote against every tax bill and to vote for every appropriation. It is also a legislative prerogative to continually talk about efficiency and economy, but to be very careful that efficiency and economy does not in any way get rid of any people in whom they are personally interested, or that no appropriation is cut off that in any way affects the local situation. I think that is all that is the matter with it.

I think you will remember that these reorganization authorizations have been in existence I think nearly ever since I came to the Senate. And President Roosevelt had a bill that was almost unworkable. I inherited one that had 12 exceptions in it. And when we appointed the bipartisan commission to go into the thing in detail, they issued a five-volume report like that—[*indicating*]. I am taking that report for what it means, and I am sending down reorganization plans, and shall continue to send them down, as long as that authorization bill is in effect. It is the privilege of the Congress to act on them in any way they see fit.

Q. Mr. President, will you comment on Senator McClellan's charge that you are using those reorganization proposals as an excuse for a power grab—

THE PRESIDENT. The only comment I can make is that it just isn't true.

[3.] Q. Mr. President, what do you think of the arguments of some Senators that the FEPC bill is Communist in origin?

THE PRESIDENT. Well, I think I have made myself perfectly clear on the FEPC bill, and

² See Items 53-76, and 112-115.

I don't think that deserves any comment.

[4.] Q. Mr. President, you said that your basic program has been blocked in Congress by various oddly assorted groups, and that you hoped by next January that some of the worst obstructionists would be removed from the Congress. Did you mean to distinguish between parties—between Democratic and Republican obstructionists in that speech?

THE PRESIDENT. No, I didn't.

Q. Could you tell us some of the obstructionists you mean?

THE PRESIDENT. No, I cannot. You know them as well as I do. All you have got to do is go down there and read the record.

[5.] Q. Mr. President, the Export-Import Bank yesterday announced a credit of \$125 million to a consortium of Argentine banks. Do you wish to comment any further about that?

THE PRESIDENT. No, I have no comment on it. I think it is a good loan.

[6.] Q. Mr. President, do I understand you to mean that everybody who votes against your proposed program is an obstructionist and should be defeated?

THE PRESIDENT. Oh no—you don't put any meaning like that on it. An obstructionist is a man who is against everything that is for the welfare of the people. He doesn't have to be—he is not an obstructionist if he has some pet thing that he doesn't like. I don't expect all the Members of the Congress ever to go along completely on what I am asking them to do. That is what the Congress is for. I want a Congress—an absolutely independent Congress, but people who are against everything certainly do not belong in this age.

Q. You mean it's a matter of degree?

THE PRESIDENT. Yes, it's a matter of degree entirely.

[7.] Q. Mr. President, this morning I received a premium notice from one of

America's largest mutual life insurance companies, and enclosed was what was purported to be a personal letter from the president—no doubt addressed to a couple of million policyholders—complaining of deficits and governmental spending, and urging that I immediately protest to my Congressman. I also noted, with pleasure, that during the past year, and no doubt due to most excellent management, the company had piled up such a huge surplus that my dividends for the year cut down my premium by two-thirds! Have you any comment, sir?

THE PRESIDENT. Well, nobody feels any stronger than I do about deficit financing of any sort; and if you will read my three veto messages to the 80th Congress on that inane tax bill that they passed, you will find the reason for the deficit. The deficit is not alarming. It will be worked out, and we will eventually balance the budget. What we are trying to do now is to prevent another war.

[8.] Q. Mr. President, the Ambassador to Chile, Mr. Bowers, was in to see you this morning, and he said that he urged you to visit Chile in November and visit the steel plant down there. Could you tell us if you will make that trip, or whether you think you can go or not?

THE PRESIDENT. I told the Ambassador that I of course would like to come to Chile. I always have wanted to come to Chile, but I can make no definite plans now that far in advance on a trip of that sort.

[9.] Q. Speaking of tax bills, what do you think of the one they are working up for you in the House? Do you have any comment on the part that concerns capital gains?

THE PRESIDENT. I can't comment on bills when they are in the course of preparation. The only time I can comment intelligently is after the bill gets to me, after having passed the House and the Senate.

[10.] Q. Mr. President, is your decision to close the Birmingham Veterans Hospital at Van Nuys, Calif., final?

THE PRESIDENT. I didn't understand the question.

Q. Is your decision to close the Birmingham Veterans Hospital final?

THE PRESIDENT. The decision was made in conjunction with the Veterans Administration, and it is final.

[11.] Q. Mr. President, as of last Sunday, the Washington Post reported that you had not been asked a single question on McCarthy on your trip. Do you have an explanation for that?

THE PRESIDENT. Not a single one. And I have no explanation. I think it explains itself.

[12.] Q. Mr. President, Secretary Johnson is going to Japan, and the story is that he is going to investigate the prospect of a peace treaty. Is that within his province?

THE PRESIDENT. Secretary Johnson is going to the Far East on the same sort of military errand that he went to Belgium on. The peace treaty will be negotiated in the regular manner by the Secretary of State when the time is propitious for that purpose, and I hope that won't be too far off.

[13.] Q. Mr. President, on your trip West, did you find people as responsive in 1950 as they were in 1948, sir?

THE PRESIDENT. Oh, yes. If you will consult these gentlemen right around here that went with me, they can tell you all about it. [*Laughter*]

[14.] Q. Mr. President, have you made a decision on the application of the Czech delegate to the United Nations for asylum in this country?

THE PRESIDENT. The matter has been referred to the State Department.

[15.] Q. I didn't understand that McCarthy question—what was that question?

THE PRESIDENT. Platform crowds—plat-

form crowds on the trip, that is what was referred to.

[16.] Q. Mr. President, pardon me for asking the same sort of question, but there is some confusion on that Argentine question. Do you make some distinction between a credit and a loan? I merely wanted to ask if you use the word "loan" advisedly or whether you merely referred to the approval of a credit?

THE PRESIDENT. I don't see any difference between a credit and a loan. The bank usually gives me the power to draw a certain amount of money on a check. Whether it is signed as a note or whether they accept my check on an overdraft, I think that is a loan just the same.

[17.] Q. Mr. President, I wrote one of my hands out on the trip. When you said that—speaking of the reorganization bills—you said it is a legislative prerogative to vote against every—

THE PRESIDENT. To vote against tax bills and to vote for appropriations. Don't you know that is the way a Congressman gets reelected? Never vote for a tax bill and never vote against an appropriation.

[18.] Q. Also, I don't know whether you heard about Senator Brewster, who announced today that John W. Hanes—whom he called an outstanding Democrat—had taken up or paid the check of Mr. Victor Johnston on the Chicago trip.³ I wonder if you had any comment on that?

³ Senator Owen Brewster of Maine, chairman of the Republican Senatorial Campaign Committee, quoted the poem that the President had recited during his address at Chicago (Item 134) and added that the Committee had sent an observer, Victor A. Johnston, a Committee employee, to follow the President during his trip through the West. Senator Brewster added that the cost of the plane which carried Mr. Johnston had been met by John W. Hanes, vice chairman of the Republican National Finance Committee and Under Secretary of the Treasury during the Roosevelt administration. (See Congressional Record, vol. 96, p. 7197.)

THE PRESIDENT. No, I have no comment on that. Senator Brewster ought to know. He is on the Republican committee that handles those things.

Q. He announced it. I just wanted your reaction on his—

THE PRESIDENT. I say he ought to know. He is on that committee.

Q. Mr. President, do you think that Mr. Hanes got his money's worth?

THE PRESIDENT. Read Tony Leviero's letter to Johnston to take back to his people, I think that answers it.⁴

[19.] Q. Mr. President, there are reports this morning from Paris that Great Britain has agreed to join in the European pact. Do you have any further information on it, or comment?

THE PRESIDENT. No, I haven't, and I have no information on it.

[20.] Q. Do you have any comment on the defeat of the Grundy forces in Pennsylvania?⁵

THE PRESIDENT. I imagine that Mr. Duff is very happy. [Laughter]

[21.] Q. Mr. President, how do you reconcile Dr. Keyserling's sending a committee to New England to study unemployment there with the complaints of New England Congressmen that lack of tariff

⁴ An article by Anthony H. Leviero, which appeared in the May 14 edition of the New York Times, was written in the form of an imaginary letter from Mr. Johnston and his traveling companion, Philip Willkie, to his Republican superiors in Washington.

The "letter" stated that the President was drawing large and apparently friendly crowds at the various whistlestops he visited and that what sounded like socialism in Washington had a different meaning for the people of the communities who felt they had received benefits in the form of public power and similar enterprises.

⁵ In the Pennsylvania Republican primary election held on May 16, Governor James H. Duff won the Republican nomination for Senator by defeating Representative John C. Kunkel. Representative Kunkel was allied with the political forces of former Senator Joseph R. Grundy.

protection and foreign competition is ruining the New England industries?

THE PRESIDENT. I don't think that is what is ruining New England at all. And when Keyserling gets through, I will tell you what it is.⁶

Q. Do you know now?

THE PRESIDENT. No, I don't, but I will tell you when I find out.

[22.] Q. Mr. President, to bring this down to a local level, at the time that the District of Columbia decided to celebrate its 150th birthday a few months back, you explained you were in favor of the idea of a freedom fair.

THE PRESIDENT. That's right.

Q. As it has run into a kind of "rhubarb" now—being tossed back and forth—the status of the freedom fair is somewhat in doubt. Would you like to comment on that?

THE PRESIDENT. Well, I was informed by Carter Barron that a subcommittee on the celebration—sesquicentennial committee, I think they call it—of which I am the honorary chairman—had recommended that it be abandoned. Carter expressed the idea that it probably would be abandoned, for the simple reason that the people of the District of Columbia seem not to be very much interested in it; and I am sorry to report that that is a fact.

The Congress has been violently opposed to it—had an awful time getting the appropriation, even to start the celebration for the sesquicentennial. The local people here seem not to be interested in it at all, and it

⁶On May 15 the White House announced that Dr. Leon H. Keyserling, Chairman of the Council of Economic Advisers, had requested seven New England economists to serve as a committee of experts to study the causes of unemployment in certain New England cities. The study resulted in a report entitled "The New England Economy: A Report to the President Transmitting a Study Initiated by the Council of Economic Advisers and Prepared by Its Committee on the New England Economy" (Government Printing Office, 205 pp., 1951).

wouldn't surprise me if that thing—that fair is not abandoned.⁷

[23.] Q. Mr. President, I wonder if you plan to help Senator Olin Johnston of South Carolina get reelected this year?

THE PRESIDENT. I am not dabbling in South Carolina politics right now.

[24.] Q. Mr. President, you said that you imagined that Mr. Duff is very happy about the defeat of the Grundy forces. I wonder if you are very happy about it?

THE PRESIDENT. Let's wait until November, and I will tell you whether I am happy or not. [*Laughter*]

Q. As late as November, Mr. President?

THE PRESIDENT. Yes, it will take until after the first Tuesday in November before I can tell you. I am for the Democrats, you understand. [*More laughter*]

[25.] Q. Mr. President, do you care to comment on Senator Taft's charge that your administration contains political immorality?

THE PRESIDENT. No. No, I don't care to comment, thank you. The Tribune will comment on that all that is necessary. [*Laughter*]

[26.] Q. Mr. President, the Chicago Tribune the other day said that the good-neighbor policy was aimed at robbing South American states. At the same time, almost, a former collaborator of former Secretary Byrnes in Havana—the Uruguayan Senator Larreta⁸ said that the inter-American system at present under the Bogotá Charter encourages dictatorship. Would you care to comment on both of those statements?

THE PRESIDENT. No comment, because I don't think there is anything to either one of them.

[27.] Q. Mr. President, you listened to Herbert Hoover's speech on the radio recently. I wonder if you had listened to Taft's?

⁷ See Item 77.

⁸ Eduardo Rodriguez Larreta.

THE PRESIDENT. No, I didn't listen to Taft. I went to sleep that night. I had been up quite a bit, you know, for the week previously. I didn't listen to the speech, and I haven't read it, I am sorry to say.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and twenty-fifth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, May 18, 1950. Motion pictures and still photographs were taken at this press conference.

138 Remarks at the Armed Forces Dinner.

May 19, 1950

THANK YOU very much, Mr. Secretary. It has been a wonderful evening. I want to compliment the Secretary of Defense on that address he has just delivered. It covered the situation very adequately. But really, I wish you could really have some trouble. You know, we have 52 Sundays in a year on the average, and there are 313 other days left. I have applications for those 313 days for special occasions. I wish I had time to give you a list of some of the things I am asked to do during those days. One of the things that is beautiful about this unification thing is the fact that we have eliminated 2 days and now have only one for three.

I was somewhat intrigued tonight because I found that by appointing the Chief of Protocol as Ambassador to Canada, I had gotten myself into trouble tonight. I just sat here and I sat here, and then it was decided that maybe protocol should decide that I ought to sit somewhere else, but protocol wasn't here. And you know how that originated? In the armed services. I thought maybe that I ought to send for Stanley Woodward and see whether he could tell me what the difference is between State Department protocol and protocol in the armed services.

But this has been a grand evening. It is the beginning of an era. You know, in 1789 Mr. Washington was inaugurated as the first President of the United States, and he had a Secretary of State and a Secretary of War and

an Attorney General who were his first three Cabinet officers. And the Secretary of War was the Secretary of National Defense. It has taken us from 1789 until 1947 to decide that George Washington knew what he was doing.

In 1792 General Washington sent a message to the Congress of the United States, in which he stated that every man in a republic owes a duty to that republic, and that man should have a certain amount of training so that he could serve that republic in any capacity as necessity required it.

The Congress at that time decided that General Washington did not know what he was talking about.

In 1945, in October, I sent a message to the Congress of the United States and requested a universal training program for the young men and women of these United States, so that they could furnish the service necessary for the welfare and the defense of the United States of America.

The Congress of the United States decided that the then President of the United States didn't know what he was talking about, they didn't know what he meant.

So, I appointed a commission, made up principally of people who were opposed to a universal training idea. And you notice I emphasize universal training, not universal military training. And that commission began investigating the situation from all angles.

And I had a Baptist preacher on that commission, and I had a Presbyterian preacher on that organization, and I had a Catholic priest on that organization. I had lawyers and doctors—there were a dozen or so of those people.

And they started, as I say, with a majority of the opinion that the Congress was right and the President did not know what he was talking about.

But, after weeks of travail and investigation, I met the Baptist preacher one day, on my way from the office over to the White House—the White House hadn't fallen down then, it was still in use.

And this Baptist preacher, who is one of the great men of this country, stopped and said, "Mr. President, I have to do some praying."

I said, "Well, I hope you will do a lot of it, because this country needs it."

"But," he says, "about a special proposition—I have been wrong all the time."

And that commission came in with one of the most learned reports that has ever been given to a President of the United States. And it was a unanimous report, suggesting that a universal training program would be one of the finest things that this country could have.

I have requested that twice a year, every year, since I have been President of the United States. And nobody seems to think that I know what I am talking about.

I am saying to you that had we implemented that training program in 1945, or early in 1946, there would have been no cold war.

It has taken a long time for the people who are in authority behind the Iron Curtain to find out that this great Republic of ours is founded on the right foundation, that this Republic of ours is here to stand and exist, because this Republic is founded for

the welfare and benefit of all the people, and not for just two or three.

This Republic is founded on the basis that the Armed Forces are in the control of the people—the civilian population, and that we do not need a Gestapo police to find out whether the country is going on all right or not.

Now, there has been much conversation about weapons and their improvement. Do you know something? That with the improvement of the weapons of destruction, the fatalities in war have decreased in proportion to the number of men engaged.

The greatest slaughter in the history of the world was committed when only the short sword was the main arm of attack. Read the casualties of Alexander's fighters at Arbela. Read the reports of Hannibal's greatest military maneuvers in the history of the world at Cannae. They gathered up enough rings off the fingers of the Romans to fill 2 bushel baskets—the cream of the Roman citizenship.

In the Middle Ages, casualties were terrific for the fighting forces hand to hand.

In the First World War and in the Second World War, the casualties per number of men engaged were way below what they were in those ancient times.

And I say to you, you remember an old man in Norway—I think it was—named Mr. Nobel, who discovered explosives, and he thought he had discovered an explosive that would destroy the world. And in order to put himself right with God and get an entrance into Heaven, he set up certain programs and medals which were to be given to people in the future who did the most for peace.

I am for it. I think he did a great thing. But his discovery was much more useful to peace than it was to destruction.

Now in this last age, in the Second World

War, the President of the United States, Franklin Roosevelt, was willing to gamble that the atom could be used for an explosive. We spent an immense amount of money on that program. And it was discovered that fission of the atom was possible. It was used for destruction to end a war, and to save maybe a half million lives of young men on both sides of the contest. And it accomplished its purpose.

But I am here to tell you that that discovery in the long run is going to be more important for the peace of the world than for its destruction.

All of us here are working for peace. Armed Services Day and unification of the Armed Forces are our bid to stand at the head of the peace-loving nations to maintain the peace.

Well, you couldn't maintain the peace in Washington 15 minutes if you fired all the policemen. And you couldn't do it in any other city or country in the world, unless you have the necessary forces in the hands of honest civilians to enforce the peace. That is all we want. We are developing this Armed Forces service of ours for the purpose of maintaining peace.

And there are certain people in the world who only understand the fist. And when they understand that that fist is no good against a republic who believes in the welfare of the people, and who believes in the

civil rights of the individual, then and then only will they have peace.

I hope—I sincerely hope—that from this time forward we will be approaching a better settlement of the misunderstandings in the world, and that when we finally wind up—and I hope it won't be too long in the future—we will have peace in the world, and all the individuals in the world can live under a bill of rights which was adopted by the United Nations here not long ago, on the model of the first 10 amendments of the Constitution of the United States.

Thank you very much.

NOTE: The President spoke at 10:15 p.m. at the Statler Hotel in Washington. In his opening remarks he referred to the Secretary of Defense, Louis Johnson.

The dinner was sponsored by the Navy League of the United States, the Military Order of the World Wars, and the Air Force Association.

For the President's address before a joint session of the Congress on universal military training on October 23, 1945, see the 1945 volume, this series, Item 174. The report of the Advisory Commission on Universal Training, entitled "A Program for National Security," is dated May 29, 1947 (Government Printing Office: 1947, 453 pp.). For the President's letter to the President of the Senate and to the Speaker of the House transmitting the report on June 4, 1947, see the 1947 volume, this series, Item 106. A list of the members of the Commission is appended to the President's remarks at a meeting with them on December 20, 1946 (see 1946 volume, this series, Item 268).

On June 19, 1951, Congress made extensive changes in the Selective Service Act of 1948 and redesignated that act as the Universal Military Training and Service Act (65 Stat. 75).

139 Remarks at the Democratic Women's National Council Dinner. May 20, 1950

THANK YOU very much. It has been a grand evening, one of the most pleasant I have spent in many a day.

I am instructing the staff to employ the chairman and toastmaster as a professional introducer to go along on the train next time.

Mrs. Truman was exceedingly sorry that she couldn't be present. She rode in an open car in Chicago the night we were there, and it was rather cold and chilly, and she had a cold already, so she got a real one. And Margaret, the doctor and myself have

been put to it to keep her in bed, but we have kept her there, and I think she will be all right in a day or two. She is very sorry that she couldn't make it.

It has been a wonderful program. You know, my mother used to sing me to sleep on Camptown Races; and Stephen Foster, in my opinion, is one of the great American folksong writers—he didn't write a single bad one. Everybody is in love with him. My grandmother used to live in the house where he wrote these songs, and she was acquainted with him when she was a very young woman. She was born in 1818.

I enjoyed the music which the orchestra furnished us, particularly that Schubert's Military March, which Margaret used to teach me how to play—I played one end of the duet and she played the other. She was always telling me how to do it—and she does that yet—and so does her mother.

You know, I am happy to be here tonight, because this organization, the Women's Democratic Council, is made up of people who actually do the work in Government. It would be almost—well, it would be an impossibility for anybody to fill a key position in the Government such as Secretary of the Treasury, or Attorney General, or Secretary of Agriculture, or President of the United States, unless he had a loyal and efficient staff.

There has been a great deal of conversation about a successful jaunt which the President took just a few days ago. If that trip was a success, it was due to the fact that the President had the most efficient staff that has ever been gotten together for the purpose.

Nobody can operate unless he has cooperation and loyalty from those who work for him. There is nothing more important than those two words in the carrying on of the Government of the United States.

Now, you hear a great deal of conversa-

tion, whenever a politician wants to make a hit out in the sticks, he gets up and talks about the bureaucrats and the unnecessary people on the payroll of the Government. That is demagoguery.

In my opinion, there never was a time in the history of the Government when we have had more loyal and more efficient employees than we have right at this day and time. Nobody is in a position to make that statement more firmly than I am. I spent 10 years in the Senate. I understand Senators. I understand what makes them tick. I understand what they do. When they first come to the Senate, they have 4 years in which to be statesmen. I spent that period myself. Then they have a year in which to be politicians. And one of my good friends from the great State of Washington told me that the last year a Senator had to be a demagogue if he expected to come back to the Senate. I never heard a statement that is truer than that. And 9 times in 10 they don't mean a word they say about the people who are working in the Government. And I am not casting any reflections on the Senate, I am talking about myself, when I was a United States Senator, and I know what I am talking about, as I spent 10 of the best years of my life in the Senate. I enjoyed it. I had a good time.

I was one of those in the Senate who was called a rubberstamp Senator. Do you know what a rubberstamp Congressman or Senator is? He is a man who is elected on the platform of the party, and who tries to carry out that platform in cooperation with the President of the United States—that's all he is.

By carrying out my promises in the campaign which I made in 1934, which was founded on the Democratic platform of 1932, I got myself into a whale of a lot of trouble. I don't think any man ever got into more trouble carrying out his promises than I have.

I am not sorry for it, however. It is great to be of service to the greatest Republic in the history of the world.

We are, without any braggadocio or any other sort of thing that could be charged to us as blowing our own horns, we are now in the position of the leaders of the free world. We must assume that responsibility. We should have assumed it in 1920. We didn't because we didn't understand what it was all about. It took 30 years and a second war for us to come to our understanding of what our position in the world is supposed to be.

If we carry through the program for world peace and the welfare of the people—the people, not the government—the people of the world, I think we are facing the greatest age in history.

Now, you are doing your part in that. You are making your contribution to our carrying out what I think God Almighty intended us to do 30 years ago. We have got to carry it out, because we have assumed

the responsibility. We have got to make the United Nations work. We have got to make the atomic explosion work for peace instead of for destruction.

If we do that—think—think—with what we are faced! I wish I were 30 or 40 years younger—and could see this coming age! I am just as sure as I stand here that the things we have seen in the past will not compare with what we are faced with in the future.

As I have said time and again, I believe that we are going to come out on top, that we are going to come out all right, that the next 30, 40, 50, 60, 100—the next 200 years are going to be the greatest in the history of the world, and it is going to be that way because you now in this crisis are doing your duty.

Thank you very much.

NOTE: The President spoke at 10:30 p.m. at the Mayflower Hotel in Washington.

140 Special Message to the Congress Following the Signing of the Rivers and Harbors Bill. May 22, 1950

To the Congress of the United States:

I have approved H.R. 5472, an Act "Authorizing the construction, repair and preservation of certain public works on rivers and harbors for navigation, flood control and for other purposes."

This Act authorizes the construction of dams, locks, levees and other works whose estimated total cost will be more than 1.8 billion dollars. Of this amount, the present Act authorizes to be appropriated about 500 million dollars. In addition, the Act authorizes additional appropriations of about 1.2 billion dollars to carry forward the construction of works authorized in previous Acts.

The purpose and value of Acts such as this is to authorize work which needs to be done at some time in the future. The actual commencement of work in each case will depend upon when appropriations are actually made. In a few cases, such as Albeni Falls dam in northern Idaho, funds for which were included in the 1951 Budget, the work is so urgently needed that appropriations should be made in the near future. In most cases, the work authorized in this Act will be added to the present backlog of authorizations, and each project will be evaluated in the light of economic, budgetary, and other considerations in preparing and enacting each year's budget.

Most of the construction work authorized in this Act is based upon careful planning, and will be of lasting value as an investment in the development and use of our natural resources. That is the reason I have signed the Act.

In a number of particulars, however, the Act is seriously deficient. I expect to take such remedial action as is open to me, and I request further legislative action by the Congress, to meet these deficiencies.

The basic reason for the deficiencies in this Act is, I believe, that the Congress has not adjusted its procedures to the inherent requirements of Federal resource development work. The Congress is well aware that the development and use of our natural resources must be carried on in ways that consider the interrelationship between different resources—particularly, in this case, water, land, and forests. This Act, however, was prepared with a primary view to the rivers and harbors and flood control work of the Army Engineers—which is only one part of the job that needs to be done.

The failure to give proper consideration to the water resources responsibilities of other agencies, in enacting this legislation, is illustrated in several ways.

First, the Act places on the Department of the Army responsibility for “developing comprehensive, integrated plans of improvement” of the Arkansas, White and Red River Basins (which cover parts of eight States), “for navigation, flood control, domestic and municipal water supplies, reclamation and irrigation, development and utilization of hydroelectric power, conservation of soil, forest and fish and wildlife resources, and other beneficial development and utilization of water resources.” Such comprehensive and integrated plans of improvement are obviously needed, not only for these river basins, but also for others. Some of the work to be done under such plans will be

carried out by the Department of the Army, but other equally important phases of the work will be carried out by the Department of Agriculture, the Department of the Interior, and other Federal agencies. Under these circumstances, it is clearly inappropriate that those other agencies should not participate in making the plans in the first place. Furthermore, since the States, as well as the Federal Government, have important responsibilities in resource development work, this provision is defective in not requiring full consultation and collaboration with the States in preparing the comprehensive plans.

The Act requires that the plans prepared by the Department of the Army shall be “co-ordinated with the Department of the Interior, the Department of Agriculture, the Federal Power Commission, other appropriate Federal agencies and with the States, as required by existing law.” All that is required by existing law, however, is that certain Federal agencies and the States concerned be given an opportunity to comment on the plans prepared by the Department of the Army, before they are submitted to the President and the Congress. This is plainly no substitute for participation in the original preparation of the plans.

For this reason, I believe the provision originally adopted by the Senate, but omitted from the final Act, was far preferable. This would have provided that comprehensive plans for the Arkansas, White and Red River Basins be prepared by a special inter-departmental commission, under a chairman appointed by the President, and with participation by the States.

In the absence of such legislation, I shall attempt to assure concerted action and effective planning, so far as that may be accomplished under existing laws. I am therefore issuing instructions to the appropriate Federal agencies to work together in preparing

comprehensive plans for these Basins, insofar as their existing authority permits, and to invite participation by the States concerned. This should remedy, to some extent, the inadequacy of the present Act. But more than this is needed. I recommend that the Congress reconsider the matter, and authorize the type of investigation and planning that would be accomplished under the provisions originally adopted by the Senate.

A second, and even worse, example of inadequate planning provided for in this Act relates to New England. The Act places responsibility on the Department of the Army to survey the "Merrimack and Connecticut Rivers and their tributaries, and such other streams" in New England "where power development appears feasible and practicable, to determine the hydroelectric potentialities, in combination with other water and resource development." This assignment of responsibility, like that in the case of the Arkansas, White and Red River Basins, obviously involves the work of other Federal agencies, and of the States, as well as that of the Department of the Army; and those other agencies and the States should participate in the planning work.

In this case, moreover, the Act does not specify the several other purposes, aside from the development of power, which should be considered in order to prepare proper resource development plans.

And yet soil, forest, and fisheries conservation and management, stream pollution abatement, improved domestic and municipal water supplies, recreational development, and other resource problems, are all highly important to the future growth of the northeastern States—New York as well as the New England States—and should be studied together.

Furthermore, the geographical area to be surveyed is not wisely chosen, even from the single viewpoint of power development. It

has been understood for years by the New England States and by New York State that some of the power from the St. Lawrence project would be used in New England. It may well be that some of the power sites to be developed in New England should be interconnected with the St. Lawrence or other northeastern power sites in the interest of more power at lower cost for the whole region. But the present Act does not even require that this possibility be investigated.

This piecemeal approach is obviously inadequate. I strongly urge the Congress to authorize full-scale investigation of multiple-purpose resource development, with appropriate participation by all the Federal agencies and the States concerned, such as would be accomplished by the New York-New England Resources Survey Commission I have previously recommended.

In the meantime, although I consider it an inadequate remedy, I shall issue instructions to the appropriate Federal agencies to work together and with the States in preparing as much of a combined resource development plan for this area as existing law will permit.

A third serious defect in this Act concerns the Pacific Northwest.

Nearly three years ago, I directed the Departments of the Army and the Interior to prepare a joint plan for their further work in the Columbia River Basin. They did so, and, among other things, recommended an integrated schedule of projects to be constructed, and a "basin account" to permit unified physical and financial operation of the several Federal projects to be constructed in the Basin.

Instead of authorizing this series of projects and the basin account, the present Act merely authorized those projects which were included in the joint plan for construction by the Army Department. It omits all the projects which were jointly recommended for construction by the Interior Department—

some of which should be constructed earlier than a number of Army projects which are authorized in this Act. The present Act also omits the basin account, without which the various Federal projects to be constructed in the Columbia River Basin cannot be combined in a sensible and practical operating system.

I urge that the Congress reconsider this matter at the earliest opportunity, and authorize the missing pieces of the Army-Interior Columbia Basin plan. As I have said a number of times, the Army-Interior joint plan is no substitute for the truly comprehensive resource development which would be made possible by the establishment of a Columbia Valley Administration, but the joint plan would be clearly superior to the partial and inadequate authorizations contained in this Act.

Aside from the defects I have already noted, there are two other points on which I wish to comment.

One provision in the Act might be construed to vest in the Department of the Army exclusive jurisdiction over the development and improvement of rivers and other water resources in Alaska. Alaska should not be denied the services of other Federal agencies which would normally contribute to the preparation of plans for the development of its resources. Whether this provision will in fact have such a result is unclear at the present time; if necessary, I shall recommend remedial legislation at a later date.

I also wish to make it clear that I consider that certain projects authorized in this Act, with a total estimated cost of about 89 million dollars, do not justify the expenditure of Federal funds. The Congress was informed that, in the view of the Executive Branch of the Government, after careful consideration, these projects were not warranted. Moreover, a few projects have been authorized for

construction in this Act, at an estimated total cost of about 12 million dollars, even though the Congress has not received project reports from the Executive Branch. I consider this to be unwise, and in direct conflict with a provision of this very Act which declares it to be the policy of the Congress that "No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing laws."

I urge the Congress in the future to avoid authorizing projects which have not been thoroughly considered or which do not meet sound standards for river development work. We can ordinarily afford to consider new authorizations for such development without haste, since there are already authorized, without this Act, river and harbor projects which will take eighteen years to complete, and flood control projects which will take eight years to complete, at the level of Federal expenditures recommended in the 1951 Budget.

Finally, I urge the Congress to develop more satisfactory procedures for considering and authorizing basin-wide development programs. We are a long way still, both in the Executive and Legislative Branches, from the kind of comprehensive planning and action that is required if we are to conserve, develop and use our natural resources so that they will be increasingly useful as the years go by. We need to make sure that each legislative authorization, and each administrative action, takes us toward—and not away from—this goal.

HARRY S. TRUMAN

NOTE: The President signed the bill on May 17, 1950. As enacted, H.R. 5472 is Public Law 516, 81st Congress (64 Stat. 163).

141 Statement by the President in Response to the Report of the
Committee on Equality of Treatment and Opportunity
in the Armed Services. *May 22, 1950*

I HAVE just received the report of the President's Committee on Equality of Treatment and Opportunity in the Armed Services. For the past 2 years, this Committee has been working quietly to find ways and means to bring about true equality of opportunity for everyone in military service.

I have followed its work closely, and I know that it has probed deeply into the problem, which is not a simple one, and has been careful to keep uppermost the need for military efficiency.

As the Committee explored personnel practices in the armed services, the members of the staff worked in the closest possible consultation with the Army, the Navy, and the Air Force. In fact, the consultation was so close and continuous that the Committee's recommendations grew naturally out of the joint discussions. The services have accepted all of the Committee's recommendations.

It is, therefore, with a great deal of confidence that I learn from the Committee that the present programs of the three services are designed to accomplish the objectives of the President; and that as these programs are carried out, there will be, within the reasonably near future, equality of treatment and opportunity for all persons in the armed services, with a consequent improvement in military efficiency.

I attach the highest importance to this Committee's assignment. In the Committee's own words, equality of treatment and opportunity in the armed services is right, it is just, and it will strengthen the Nation. That is true throughout our entire national life.

As more and more of our people have

shared the opportunity to enjoy the good things of life, and have developed confidence in the willingness of their fellow Americans to extend equal treatment to them, our country has grown great and strong.

Today, the free people of the world are looking to us for the moral leadership that will unite them in a common purpose. The free nations of the world are counting on our strength to sustain them as they mobilize their energies to resist Communist imperialism.

We have accepted these responsibilities gladly and freely. We shall meet them with the sure knowledge that we can move forward in the solution of our own problems in accordance with the noblest of our national ideals—the belief that all men are created equal.

Judge Fahy and the members of his Committee have been unsparing in the time and energy they have devoted to their mission. Every American who believes sincerely in the language of the Constitution and the Declaration of Independence owes them a debt of gratitude.

This report is submitted as the United States Senate is considering a motion to take up a fair employment practices bill. The work of the President's Committee on Equality of Treatment and Opportunity in the Armed Services shows what can be accomplished by a commission in this admittedly difficult field. I hope the Senate will take this report into consideration as it debates the merits of FEPC, and that, as I urged in my State of the Union Message in January, it will permit this important measure to come to a vote.

NOTE: The Committee's report, entitled "Freedom to Serve," was published by the Government Printing Office (1950, 82 pp.).

The Committee was established July 26, 1948, by

Executive Order 9981 (3 CFR, 1943-1948 Comp., p. 722). The members were Charles Fahy, chairman, Lester B. Granger, Dwight R. G. Palmer, John H. Sengstacke, and William E. Stevenson.

142 Letters of Appreciation on the Third Anniversary of the Greek-Turkish Aid Program. May 22, 1950

Dear Governor Griswold:

On this third anniversary of the adoption by Congress of the Greek-Turkish aid program, it is appropriate that public recognition be given to the men and women who, in the critical Greek situation, have been instrumental in carrying the policy thereby inaugurated through to its present success.

Your name stands out among those of the many devoted public servants who have labored tirelessly to win the victory for freedom in Greece. Initiation of the Greek aid program involved the planning, organization and setting in motion under emergency conditions of a large-scale undertaking for which there was little precedent in the history of United States operations overseas. Your enterprise and executive talent enabled you to carry out this task promptly and efficiently, your energy and vision gave the program its original impetus and direction, it was under your firm guidance that the program was carried successfully through the first fourteen months of its application. You may take justifiable pride in the part you have played in this positive and significant achievement of American foreign policy.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Dwight P. Griswold, 2101 Third Avenue, Scottsbluff, Nebraska.]

Dear Ambassador MacVeagh:

On this third anniversary of the adoption by Congress of the Greek-Turkish aid program, I desire to express once again the Government's appreciation of your impor-

tant role in the conception of that program and in its inauguration with respect to Greece.

At a very early date you recognized and brought to the Government's attention the significant part which Greece was likely to play in postwar developments. After the liberation of Greece from Axis domination, your intimate knowledge of that country, derived from long years of devoted service there, enabled you to detect and point out with great clarity the symptoms of a deteriorating situation which, if not arrested, would have had calamitous consequences not only for Greece but also for general security in broader areas.

As a friend of Greece and as a loyal and distinguished American public servant, I know that you must be deeply gratified, as I am, by the positive results of our Greek aid program.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Lincoln MacVeagh, American Ambassador, Lisbon, Portugal.]

Dear Ambassador Grady:

The third anniversary of the approval by Congress of the Greek-Turkish aid program provides an appropriate occasion to extend congratulations and to express the appreciation of the Government to the many American men and women in both the civilian and armed services who have contributed to the achievements of that program in Greece.

In 1947, Greece stood on the brink of

disaster, the countryside ravaged and the population cruelly terrorized by communist bands whose objective, disguised by false slogans, was to deliver that strategic outpost of freedom into foreign hands. To the ruins of war and occupation, which the Greek people with the help of their wartime allies were striving to repair, were added the mounting ruins of communist-instigated civil strife. The communist challenge to Greece threatened not only the independence of that country but the basic right of nations and of individuals to work out their own destinies in their own way.

That we have been successful in helping the Greek people meet that challenge has been due in no small measure to your far-sighted diplomacy and executive vigor as Ambassador and Chief of the American Mission for Aid to Greece during the past two years and to the teamwork you have promoted among the many American officials and employees in Greece.

The fine performance of these devoted public servants and the leadership you have exercised provide an inspiring example of the effectiveness of democracy in action at the service of peace.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Henry F. Grady, Department of State.]

Dear General Van Fleet:

On this third anniversary of the adoption by Congress of the Greek-Turkish aid pro-

gram I am happy to express the Government's appreciation of the distinguished services you have rendered in furthering American policy in Greece.

The nature of the guerrilla warfare launched by international communism against the people of Greece and the character of the Greek terrain posed unique strategic, tactical and logistic problems for the Greek national forces. Your high military skill, inspiring personality and ability to work in close harmony with your Greek, British and American colleagues contributed greatly to the ultimate success of the valiant Greek forces in overcoming all obstacles and winning through to victory.

This victory has preserved the freedom of Greece and enhanced the security of the United States and of the free world.

Very sincerely yours,

HARRY S. TRUMAN

[Lieutenant General James A. Van Fleet, Chief, JUSMAPG, American Embassy, Athens, Greece.]

NOTE: Governor Dwight P. Griswold served as Chief of the American Mission for Aid to Greece from June 1947 until September 1948.

Lincoln MacVeagh served as Ambassador to Greece in 1943 and 1944.

Henry F. Grady served as Ambassador to Greece from June 1948 until June 1950, and was appointed to take over the post of Chief of the American Mission for Aid to Greece after Governor Griswold's resignation became effective.

The appointment of Lt. Gen. James A. Van Fleet as Director of the Joint United States Military Advisory and Planning Group in Greece was confirmed by the Senate on February 18, 1948.

143 Message to the Congress Transmitting the Fourth Annual Report on U.S. Participation in the United Nations. May 22, 1950

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act, my fourth annual report on the activities of the United Nations and the participation of the United States. This report for

the year 1949 tells an impressive story of accomplishment, much of which we are prone to overlook in the clamor of daily difficulties. I commend it to the careful reading of all our citizens.

The Charter of the United Nations is a

contract among the members to settle their disputes peacefully and to promote the economic and social advancement of all peoples for the building and maintenance of a durable world order.

We support the United Nations and keep this contract because the Charter expresses our fundamental aims in the modern world. We know that the fulfillment of the Charter will best advance our own vital interests—to attain peace with justice, to assure freedom, and to bring about economic and social progress, for ourselves and all peoples. It is for this reason that support of the United Nations is and must be Point 1 of our foreign policy.

Most of the nations of the world share these objectives and are working through the United Nations to achieve them. They therefore tend increasingly toward common judgments on the great issues confronting mankind. The decisions of the United Nations in 1949 show to a greater extent than in previous years that the convictions of the world's peoples on matters of fundamental concern have become clear and firm with the lessons of postwar experience.

Relations among nations have never been, and probably never will be, free from difficulties. The intensity of the East-West conflict has obscured the fact that certain critical disputes have arisen from purely local conflicts and that many such problems would continue to confront nations even if relations between the Soviet Union and the rest of the world were far different from what they are today. In a time of swift and profound change like the present, questions of adjustment of views and interests among nations are more numerous and urgent than at any previous period in history. There are few international problems that fail to confront us with the need of making decisions on the policy we should follow or the national attitude we should express in the United Na-

tions and in our direct relations with other states. These problems make daily demands of us for sober judgment and strength of spirit and purpose. They make the same of every nation seeking to carry out the Charter.

The United Nations is an organization to help members resolve international difficulties. It is also a mirror in which the state of world affairs is reflected. We cannot expect from the United Nations immediate solutions of problems as large and complex as many that are before it. But already we have seen how, by its debates and decisions, it is helping to guide the nations into the ways of peace. To the extent that solutions of problems are delayed or are obtained piecemeal, we must be realistically prepared to live with them. Persistent effort through the United Nations is an expression of our faith that these problems can be solved.

This faith is not misplaced. Experience is demonstrating that the United Nations processes of debate, consultation, conciliation, and agreement are capable of bringing about the peaceful settlement of disputes wherever both sides fundamentally respect reason and pledged undertakings above force. The report for 1949 shows how greatly the United Nations has contributed to the settlement of the Indonesian dispute, how it has brought an end to the fighting in Palestine and in Kashmir, and how it continues to work energetically toward further progress in the solution of these disputes. Many lives have been saved through the success of the United Nations in moving such conflicts indoors—from battlegrounds to conference tables.

The power of the United Nations today is that of moral force. Such force gathers its strength slowly, but it does so surely. No nation can ignore the question of how its actions will appear in the world forums of the United Nations. No nation, member or nonmember, attending or nonattending,

can avoid accountability before the United Nations for actions affecting the peace. The aroused opinion of mankind, when brought to sharp and immediate focus as it often is in the United Nations, is not lightly to be dismissed, even by a nation that has strong battalions.

Much of the useful work of the United Nations is and should be long-range in character. In some of its fields, the tasks are those of development over many years, as in the steady and seemingly prosaic steps toward the building up of international economic and social health through cooperative relations among all nations desiring to help each other. It is in such far-flung and manifold activities no less than in its efforts to handle critical tensions that the United Nations is creating fundamental conditions necessary for the growth of peace. The report I submit this year gives to this work the fuller attention it merits. It shows that in economic and social fields the United Nations is becoming increasingly effective in improving the daily life of millions of people. In 1949 the Economic and Social Council proposed, and the General Assembly unanimously adopted, a program of technical assistance to underdeveloped areas which is directed toward the goal I outlined as Point IV in my inaugural address. This program of the United Nations offers solid promise for world advancement.

By related programs, the United Nations is promoting economic development in regional areas and in various fields of endeavor. Through a program of public works started in the Near East, jobless and homeless refugees can find new homes and the foundation of self-reliance through beneficial employment rather than relief alone. Special training fellowships are being given by the United Nations and the specialized agencies to hundreds of students for study. Upon request, experts are being sent to

demonstrate in underdeveloped areas the advanced knowledge and techniques which the local peoples can put to practical use. Expert missions in the fields of public administration and finance, agriculture, medicine and health, social problems, and labor matters have been sent to many countries on request of governments to tackle urgent problems that stand in the way of improved standards of living. All this work will be further intensified as the expanded program of technical assistance is put in operation.

In other fields also, progress is being pressed. The new Field Service and Panel of Field Observers provide specialized help for commissions of peaceful settlement. It has been agreed that two of the former Italian colonies, Libya and Italian Somaliland, are to become independent states. The advancement of trust areas and other non-self-governing territories is steadily being fostered through the cooperation of the administering states and the United Nations. On legal questions it is gratifying to observe the gradual increase in the use of the International Court of Justice. Respect for and dependence upon the processes of law are essential in the building of the better world order.

These constructive activities have been overshadowed by the unsolved problems arising from the policies and acts of the Soviet Union which lead to tension and impairment of security in international relations. The United Nations rendered a great service during 1949 by asserting, in the notable resolution of the General Assembly on "Essentials of Peace," the standards of conduct necessary to restore international confidence. Each of the 53 members other than the Communist states represented in the United Nations gave its support to this fundamental call for action to build peace. By this and other steps, the United Nations made it clear that the great issues of security

in the postwar period are between the Soviet Union and the rest of the world at large and that these issues arise from failures by the Soviet Union to conform its conduct to the purposes and principles of the Charter.

The international control of atomic energy stands foremost among the urgent matters calling for agreement. Effective international regulation of armaments and armed forces is a related problem of urgency.

Our experiences during 1949 in the United Nations provided further demonstration that, as the Secretary of State has recently stated, agreements with the Soviet Union and its satellites are valid only as and when they record existing situations of fact. It is not enough to hope for agreement or to make proposals; it is essential to create the conditions under which it will be to the interest of the Soviet Union to enter into and to keep agreements. All international activities which create moral, economic, and military strength among the nations of the free world will broaden the area of possible agreement and hasten its coming.

We are endeavoring in the United Nations as in our other international actions to make clear to the Soviet Union that we seek to carry out the Charter in deed as in word, and that we ask no more or less from any other member. It will be our plan in the future, as it has been our practice in the past, to do all in our power to strengthen the United Nations as the primary instrument for the maintenance of peace. By our efforts to

strengthen it and by our related assistance to other nations under legislation enacted by the Congress, we shall seek to make our utmost contribution to attaining the situation of fact in which agreement can become realistically possible.

The United Nations seeks agreement and the execution in good faith of agreed undertakings. This is the true basis of a world community founded on law and justice. We, for our part, will continue to negotiate and to examine every proposal in our unending effort to achieve security through effective and dependable agreement.

It is a source of encouragement that the United Nations in conducting its work is distinguishing between realities and illusions and is vigilantly insisting, problem by problem, upon solid gains through actual performance. It is striving for real peace, genuine freedom, and actual progress. This fact stands out in its record.

The walkouts of the Soviet Union over Chinese Nationalist representation in the United Nations occurred since the events of 1949 described in this report. In the presence of this willful flouting by the Soviet Government of obligations assumed by it under the Charter, the United Nations has taken the common sense attitude of proceeding with its business as usual.

HARRY S. TRUMAN

NOTE: The report is printed in House Document 598 (81st Cong., 2d sess.).

144 Remarks to Delegates to the Fifth Annual Conference on Citizenship. May 23, 1950

I AM exceedingly sorry that the White House reception room at the present time is not big enough, and I am also sorry that the Rose Garden got wet this afternoon—and we did not have access to it anyway; you can

see why over there. They are rebuilding the White House, and it will be some time before we will be set to receive this many visitors again.

I am very much pleased that you are will-

ing to come and take an interest in the project of the Attorney General's for citizenship. You know, there is a tremendous amount of ignorance among leading citizens about just what citizenship in the United States means.

I think it is the greatest honor in the world simply to be a citizen of the United States. You have more rights than any other country in the world provides for its citizens—individual rights which are protected by the law. The Attorney General is not only a law enforcement officer, but the Attorney General is the officer who prevents the grinding down of the population. It is his business to see that the Bill of Rights is enforced as well as it is to see that the law is enforced. That is what we have been trying to do ever since 1789. And we are making progress; we are making progress. The Constitution is more nearly a document of all the people now than it ever has been in the history of the country. And it is due to the fact that such citizens as you are willing to give your time and effort to implement the things for which we stand, as citizens of the United States of America.

I can't tell you how much I appreciate

your interest in this program. It is something that is really worthwhile, and you can spend a great deal of time, as I say, instructing citizens who think they know something about the rights and duties of a citizen of the United States.

A great many people just take things for granted. They don't appreciate what they have. I had a card from Los Angeles this morning, in which the writer suggested to me in all seriousness that the proper thing to do was to surrender to Russia. He said we may lose our freedom but it is better to lose our freedom than to lose our lives. Now, what do you think of that? That is Patrick Henry in reverse, if I know anything.

There are people like that in this country, and it is your business to see that they don't increase in number. I hope you will do that.

Thank you very much, and I apologize again for the fact that I had to talk with you under rather adverse circumstances.

Keep up the good work, that's all I can say to you.

NOTE: The President spoke at 4 p.m. on the White House lawn. The conference was sponsored by the Department of Justice and the National Education Association.

145 Remarks to a Group From the Ohio Farm Bureau.

May 24, 1950

IT IS a pleasure to have you here this morning. I am most appreciative of the cooperation and the open minds with which you farmers of Ohio have approached the farm problem. It is your problem, as well as a national problem. This organization in Ohio has honestly gone to the merits of the whole situation, from the standpoint of the consumer and the standpoint of the middleman who has to eventually handle farm

products, and from the standpoint of the farmers themselves.

It takes a balanced program that is good for the whole country to last and be good for any section of the population. I wish all the organizations in the various States such as yours would take the same approach to the things that we are endeavoring to work out for the welfare of the whole country as you have taken. I think then that

we could come to a conclusion that would be entirely satisfactory to all concerned.

It is necessary, as you know, for the businessmen, for labor, and for farmers all to be prosperous on an equal basis. If one is prosperous at the expense of one or two of the others, then we are headed for trouble.

That is what we are trying to do—that is what we are trying to do now—trying to get the right answers to a program that will not only be good for the farmer but that will be good for the whole country, because if it is not good for the farmer it is not good for the whole country, and if it is not good for the whole country it is not good for the farmer. That is the answer, as I see it, and we are going to keep on working at it until we do find the answer.

I think I have got a Secretary of Agriculture who is as much interested in this as I am, who has an open mind and who is honestly working to find a solution of the

situation with which we are faced.

I hope you will continue to give us your cooperation so that we can find a solution.

I appreciate your being here this morning. It is a pleasure for me to see you. I always give my occupation as "farmer." I spent the best 10 years of my life trying to run a 600 acre farm successfully, and I know what the problems are. I have two nephews now on that same old place, operating it and operating it successfully. They are my brother's boys. My boy's a girl. Of course, I wouldn't trade her for any two boys, but I wish I had some. These boys are good farmers, and they have that sort of reputation. The only handicap they have is the fact that their uncle is President of the United States. You know what a terrible handicap that is to a family. Those boys have to live that down all the time!

NOTE: The President spoke at 12:20 p.m. in his office at the White House.

146 The President's News Conference of May 25, 1950

THE PRESIDENT. [1.] At 11 o'clock there will be a release—it is a simultaneous release in Britain, France, and Washington. It will be available at the door as you go out, together with a statement by the President. It is all mimeographed and ready for you.¹

I have no further statements to make to you.

[2.] Q. Mr. President, could you tell us what you think of Mr. Trygve Lie's consultations? Do you think they will help the cause of peace any?

THE PRESIDENT. I know nothing about them and can make no statement until I see the Secretary of State.

Voices: Can't hear—we can't hear.

¹ See Items 147 and 148.

THE PRESIDENT. I said I know nothing about them and I will make no statement on it until I have talked to the Secretary of State.

Q. Are you going to see Mr. Trygve Lie?

THE PRESIDENT. Not that I know of.

Q. What was the question?

THE PRESIDENT. The question was what I knew about Mr. Lie's contributions to world peace, and I know nothing about them.

[3.] Q. Mr. President, inasmuch as the text of this statement which you are going to issue at 11 has already moved out of Paris and London, could you discuss it with us now?

THE PRESIDENT. No. I cannot.

[4.] Q. Mr. President, the Post on Mon-

day carried an editorial called "The Road Back To America."² I assume you may have read it?

THE PRESIDENT. I heard something about it.

Q. I wonder if you would comment, sir?

THE PRESIDENT. I have no comment, except that I see no reason for a supergovernment in the United States. I am trying to run the Government under the Constitution, and I shall continue to do that. [Laughter]

[5.] Q. Mr. President, would you like to see the sesquicentennial revived in the District of Columbia?

THE PRESIDENT. I was for the sesquicentennial when it first came up, and I have done everything I possibly can for it, and I shall continue to do that; but somebody else has to put it on. I can't go out on the street and put it on.

Q. Some of the local businessmen, sir, have called for the resignations of some of the members of the commission—

THE PRESIDENT. It's about time that the local businessmen wake up and find out what it's all about.³

[6.] Q. Mr. President, would you accept a voluntary FEPC from the Senate such as the House passed?

THE PRESIDENT. No, I would not.

Q. What was the question?

THE PRESIDENT. Wanted to know if I would accept a voluntary FEPC. I have got that now.

² The editorial in the Washington Post of May 22, 1950, stated that the Capital was "convulsed by a terror" due to the fear of communism and uncertainty as to how to deal with it. It suggested a commission, appointed by the President after bipartisan agreement on its membership, "to survey the major aspects of national security—the internal menace of the fifth column, civilian defense, development of new weapons, the size and use of military expenditures, economic restoration of our friends and allies."

³ See Items 77, 137 [22].

[7.] Q. Mr. President, Senator Humphrey of Minnesota has added his voice to those of the labor leaders who are asking or demanding that you fire Robert N. Denham, General Counsel of the NLRB. Do you intend to do so?

THE PRESIDENT. I do not right now intend to go into any phase of that situation. I have sent the reorganization plan to the Congress, and it was rejected.⁴ I have other matters under consideration at the present time, and I will do nothing further about that at present.

[8.] Q. Mr. President, have you in mind any post for Ray McKeough, who has been a member of the old Maritime Commission?⁵

THE PRESIDENT. Well, the permanent board of the Maritime Commission has not yet been appointed, and we have a great many things under consideration. I can't answer that question right now.

[9.] Q. One more question, sir, do you expect to see Joe Ferguson of Ohio, the Democratic senatorial nominee?

THE PRESIDENT. If he comes in and asks to see me, of course I will be glad to see him, as I will any other Democratic nominees.

Q. I understand, Mr. President, that he wants to ask whether you are going to do any whistleblopping in Ohio?

THE PRESIDENT. I am not in a position to answer any questions like that.

[10.] Q. Mr. President, have you decided on a successor to Ambassador Wayne in Nicaragua, and Patterson in Guatemala?

THE PRESIDENT. I haven't had the matter up for consideration.

[11.] Q. One more, sir, as General

⁴ Reorganization Plan 12 of 1950, providing for reorganization in the National Labor Relations Board, was disapproved by the Senate on May 11, 1950 (S. Res. 248). See Item 66.

⁵ On August 18, 1950, the Senate confirmed Raymond S. McKeough as a member of the International Claims Commission of the United States.

Somoza has again been elected President of Nicaragua, and is again proposing the Nicaraguan Canal, what is the attitude of the administration at this time towards that project?

THE PRESIDENT. How long has the Nicaraguan Canal been under consideration? I was in Nicaragua, you know, about 10 years ago and looked at the site for the Nicaraguan Canal. It is a matter for conversation and probably will be for a long time to come.

[12.] Q. Mr. President, before we went out on the trip you said that about next year the defense budget would be lower. Since then there has come the London conference, and the story is that as a result of the decisions made there, our defense budget for next year will have to go up. Does your opinion still stand—

THE PRESIDENT. The defense budget is under consideration at the present time, and I can't answer questions on it until we have gone into it more thoroughly. The ceiling has been placed upon it.

Q. I was wondering if your opinion of a few weeks ago still stood?

THE PRESIDENT. I can't give you an answer to the situation until all the facts and figures are in, and I will discuss it freely with you when we are ready. I can't do it now.

Q. May I ask you one more question, sir?

THE PRESIDENT. Sure.

[13.] Q. Yesterday, Bevin⁶ said that he would like to see Communist China seated in the United Nations in order to break the Russian deadlock. I wonder if we have changed our opinion and now would be willing to see Communist China seated?

THE PRESIDENT. I have no comment on that.

Q. Mr. President—

⁶ Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom.

Q. Mr. President—

THE PRESIDENT. There is a lady over here that wants to ask a question.

[14.] Q. Are you going to see those visiting veterans from the Birmingham Hospital?

THE PRESIDENT. No. I won't see them.

Q. You are not going to see them?

THE PRESIDENT. No.

Q. Could I ask one more question?

THE PRESIDENT. Sure.

[15.] Q. How is the Mexican loan—oil loan—

THE PRESIDENT. I can't answer that question, I am sorry.

[16.] Q. Mr. President, in connection with Mr. McCardell's⁷ question, there were several speeches made by our foremost military leaders on and just before Armed Forces Day, and some of them indicated that they were not entirely satisfied with the present situation defensively, and perhaps that was in connection with this, with the decision in London, which indicated that the United States would be taking a greater responsibility on airpower and navy, as contrasted with ground forces. I wonder if you would comment on that?

THE PRESIDENT. No, that is a matter that will have to be worked out in consideration of the budget, and when that time comes, I will discuss it with you.

[17.] Q. Mr. President, you said that a ceiling had been placed on this defense budget. I wonder if you would tell us what is the ceiling?

THE PRESIDENT. No, I can't.

Q. I didn't think so. [*Laughter*]

THE PRESIDENT. No.

[18.] Q. Can you tell us, Mr. President, when we can expect some word on a Chairman for the Atomic Energy Commission?

THE PRESIDENT. No. When I get ready to

⁷ Lee McCardell of the Baltimore Sun.

make the announcement, I will make it publicly so that you can all have it at the same time.⁸

[19.] Q. Mr. President, do you have any comment on the 5-year contract which was signed with General Motors Corporation and the United Automobile Workers?

THE PRESIDENT. I understand that they are both highly pleased with it, and if they are, of course I am, too.

[20.] Q. Mr. President, I agreed to ask this question for a visiting German correspondent. He asks does the American Government believe that the Germans themselves can solve the problem of the 8 million refugees from East Germany and Czechoslovakia?

THE PRESIDENT. That is a matter that is under consideration in the United Nations, and with our own setup in Germany, and I am not in a position to answer that question this morning.

[21.] Q. Now then, may I change the subject? Are you meeting Toscanini tonight?

⁸ On July 11, 1950, Gordon E. Dean was appointed Chairman of the Atomic Energy Commission.

THE PRESIDENT. How's that?

Q. Are you meeting Toscanini tonight?

THE PRESIDENT. I am going to hear Toscanini. If he wants to meet the President, he will have the same privilege that every other great musician that comes to that place over there has.

[22.] Q. Mr. President, can you tell us why Margaret has canceled her summer engagements?

THE PRESIDENT. Miss Helen Traubel has answered that question completely and thoroughly.⁹

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and twenty-sixth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:35 a.m. on Thursday, May 25, 1950. Motion pictures and still photographs were taken at the press conference.

⁹ On May 23 the New York Times reported that Helen Traubel, who was supervising Margaret Truman's musical education, had announced that upon her advice the President's daughter had canceled her singing engagements for that summer. Miss Traubel stated that she had advised Miss Truman to rest and devote herself to further study during the summer because she had just finished a spring tour and was anticipating a busy schedule in the fall.

147 Joint Declaration With the United Kingdom and France on the Arab States and Israel. May 25, 1950

THE GOVERNMENTS of the United Kingdom, France, and the United States today issued the following Joint Declaration:

"The Governments of the United Kingdom, France, and the United States, having had occasion during the recent Foreign Ministers' Meeting in London to review certain questions affecting the peace and stability of the Arab states and of Israel, and particularly that of the supply of arms and war material to these states, have resolved to make the following statements:

"1. The three Governments recognize that the Arab states and Israel all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole. All applications for arms or war material for these countries will be considered in the light of these principles. In this connection the three Governments wish to recall and reaffirm the terms of the statements made by their representa-

tives on the Security Council on August 4th, 1949, in which they declared their opposition to the development of an arms race between the Arab states and Israel.

"2. The three Governments declare that assurances have been received from all the states in question, to which they permit arms to be supplied from their countries, that the purchasing state does not intend to undertake any act of aggression against any other state. Similar assurances will be requested from any other state in the area to which they permit arms to be supplied in the future.

"3. The three Governments take this op-

portunity of declaring their deep interest in and their desire to promote the establishment and maintenance of peace and stability in the area and their unalterable opposition to the use of force or threat of force between any of the states in that area. The three Governments, should they find that any of these states was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation."

NOTE: See also Item 148.

148 Statement by the President on the Joint Declaration on the Near East. May 25, 1950

DURING the recent meeting in London, the Foreign Ministers of the United States, the United Kingdom, and France had an opportunity to review the security and armaments situation in the Near East and to consider what action their Governments might take to provide greater stability in the area. As a result of this consultation, a three-power declaration is being issued. This is another of the many valuable results of the London meeting.

The participation of the United States

Government in the declaration emphasizes this country's desire to promote the maintenance of peace in the Near East. It is the belief of the United States Government that the declaration will stimulate, in the Arab States and Israel, increased confidence in future security, thus accelerating the progress now being made in the Near East and contributing toward the well-being of the peoples there.

NOTE: See also Item 147.

149 Special Message to the Congress Transmitting Reorganization Plan 26 of 1950. May 31, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 26 of 1950, prepared in accordance with the Reorganization Act of 1949 and effecting reorganizations in the Department of the Treasury. The reorganizations included in this plan are identical with those contained in Reorganization Plan No. 1 of 1950, except that the functions of the Comptroller of

the Currency are unaffected by Reorganization Plan No. 26 of 1950.

In transmitting Reorganization Plan No. 1 of 1950 on March 13, I stated that the reorganizations contained therein were essential to clarification of the lines of authority and responsibility in the executive branch. I further emphasized that those reorganizations would put into effect in the Depart-

ment of the Treasury the principal remaining recommendations of the Commission on Organization of the Executive Branch of the Government affecting the location of management responsibility. I urged the Congress to add its approval to my acceptance of these recommendations of the Commission on Organization.

On May 11 the Senate disapproved Reorganization Plan No. 1 of 1950. The reason for the disapproval was the inclusion of the functions of the Comptroller of the Currency among the responsibilities proposed to be transferred to the Secretary of the Treasury. Accordingly, in order to meet the objection which led to such disapproval and to preserve the major benefits of the disapproved plan, Reorganization Plan No. 26 of 1950 is transmitted herewith.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 26 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of the Treasury. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN

NOTE: Reorganization Plan 26 of 1950 is published in the U.S. Statutes at Large (64 Stat. 1280) and in the 1949-1953 Compilation of title 3 of the Code of Federal Regulations (p. 1017). It became effective on July 31, 1950.

150 Special Message to the Congress Transmitting Reorganization Plan 27 of 1950. May 31, 1950

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 27 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan will create a Department of Health, Education and Security, as one of the executive departments of the Government, and will transfer to it the functions and constituent units of the Federal Security Agency. The Department will be headed by a Secretary of Health, Education and Security, who will be vested with essentially the same duties and authority as are now vested in the Federal Security Administrator.

It is unnecessary to recite again the considerations which make the creation of such a department desirable. As I pointed out in my message transmitting Reorganization Plan No. 1 of 1949, such action has repeatedly been recommended by my predecessors and myself, as well as by others who have studied our Government organization. The scope and importance of the functions of the Federal Security Agency plainly warrant departmental status. I feel that there should be no further delay in effecting this essential reorganization.

The present plan is designed to meet the major objections which were raised in oppo-

sition to the 1949 plan when it was disapproved by the Senate. A principal criticism of the 1949 plan was that, in centralizing all statutory authority in the Secretary, as recommended by the Commission on Organization of the Executive Branch of the Government, the plan threatened in matters of health and education unduly to subordinate professional judgment to non-professional domination. The present plan is not open to this criticism.

Under the present plan, the Surgeon General and the Commissioner of Education retain all the statutory authority and duties now vested in them. The Public Health Service and the Office of Education remain intact as statutory entities with statutory functions. The Surgeon General and the Commissioner of Education will have the same relationship to the Secretary of the new Department that they now have to the Federal Security Administrator.

Furthermore, the present plan provides that the Surgeon General, and the Commissioner of Education, along with the Commissioner of Social Security, will report directly to the Secretary. This provision assures that these officials can deal directly with the Secretary in the performance of all matters in their respective fields of responsibility, and the Secretary will thus be in a position to transmit their views to the President and the Congress. It represents an additional safeguard against the fear of the possibility that the views of these officials could be unduly subordinated.

A further difference between this plan and last year's plan is in the name of the new Department. In the minds of some the title "Department of Welfare", which was used in the 1949 plan, did not adequately comprehend the health and educational functions and implied their subordination. To avoid any possible misunderstanding, the present plan uses the longer and more

explicit title, "Department of Health, Education and Security".

The present plan retains one of the major advantages of the 1949 plan, namely, to permit the Secretary to establish central administrative services for the Department in the interest of efficiency and economy. Thus, he will be able, if he finds such purposes will be served, to centralize for the Department such services as procurement, budgeting and accounting. This grant of authority is specifically limited so as not to infringe on the substantive professional responsibilities retained by officials within the Department.

Another advantage of the plan is that it provides for a uniform method of appointment for the positions of the Surgeon General, the Commissioner of Education, and the Commissioner of Social Security. Today, two of the three positions are filled by Presidential appointment, while the third is filled by appointment by the Administrator. Though the Surgeon General must be selected from the commissioned regular corps of the Public Health Service, no professional qualifications are now prescribed by law for the other two posts. The present plan provides that all three positions be filled by Presidential appointment, subject to Senate confirmation. In each case, appropriate professional qualifications are required and the selection of the Surgeon General from the commissioned corps will become discretionary rather than mandatory.

To the extent that this plan would give departmental status to the agency administering the social security and education functions, it is in accord with the one recommendation of the Commission on Organization of the Executive Branch for the creation of a new executive department. I recognize, as I did last year, that the Commission made a further recommendation with respect to the organization of the health functions of the Government. The adoption of this plan

will not in any way interfere with further adjustments in the functions of the new Department either by statute or reorganization plan.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 27 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. I also have found and hereby declare that by reason of these reorganizations it is necessary to include in the reorganization plan provisions for the appointment and compensation of the following officers: Secretary of Health, Education and Security, Under Secretary of Health, Education and Security, Assistant Secretary of Health, Education and Security, Administrative Assistant Secretary of Health, Education and Security, Surgeon General of the Public Health Service, Commissioner of Education, and Commissioner of Social Security. The rates of compensation fixed for these officers are, respectively, those which I have found to prevail in respect of comparable officers of the executive branch of the Government.

The reorganization plan will go far toward providing the status and type of organization which the magnitude and importance of the functions now administered by the Federal Security Agency demand. It will facilitate coordination with other major segments of the executive branch through the granting of Cabinet status. It will provide a more adequate supervisory structure

and will contribute to administrative efficiency and economy. Consistent with the reorganization act itself, the plan neither provides for any new program nor extends or enlarges existing programs beyond the scope of present legislation.

While it is not practicable at this time to estimate the savings that will accrue from the plan, modest but worthwhile economies will result from the factors already cited together with the authority conferred by the plan to improve the administration of the services common to the various agencies of the Department.

The creation of this new Department is long overdue. While I do not believe that the criticisms advanced against Plan No. 1 of 1949 were well-founded, the present plan has been substantially modified to meet them. I recognize that as a result the present plan falls short of what I would regard, and what the Commission on Organization regarded, as the clearest lines of responsibility and authority within executive departments. Nevertheless, in my judgment, the present plan is still an important step forward toward better organization of the executive branch. It provides an adequate basis for establishing this new executive department. I strongly urge that the Congress allow this reorganization plan to become effective.

HARRY S. TRUMAN

NOTE: Reorganization Plan 27 of 1950 is printed in House Document 610 (81st Cong., 2d sess.). It did not become effective.

151 Special Message to the Congress on Military Aid.

June 1, 1950

To the Congress of the United States:

I recommend that the United States continue to provide military aid to other free nations during the fiscal year 1951, as part

of the common effort to increase the strength of the free world in the interest of world peace. New authorizations are necessary to extend the program begun last year and

advanced so successfully since that time.

This program is a further strengthening of the principles of peace on which this country bases its foreign policy. Through the charter of the United Nations, the member nations have pledged themselves to the settlement of disputes by peaceful means, and to refrain from the threat or use of force against the territory or independence of any nation. In spite of those solemn pledges, there is clear evidence that certain adherents to the Charter will not hesitate to use force and to threaten the integrity of other countries if it suits their purposes. It has proved necessary to take further steps to defend the principles of the Charter, and the freedom of the member nations against this threat.

The United States and other free nations must be strong if they are to remain free. Communist imperialism has shown itself ready to exploit weakness and to seize nations which do not have the strength to resist. That imperialism seeks to gain its ends by intimidation, by fomenting disorder, and by attempts to force internal collapse.

But experience has shown that the designs of communist imperialism can be thwarted if the intended victims of that imperialism are strong. Communist aggression can be successfully countered by people who value their independence and are determined to take the actions necessary to remain free.

The strength that is necessary to meet the communist thrusts must take many forms—moral, political, economic, and military—because the communist challenge takes all those forms. Furthermore, the strength to meet communism must be the combined strength of the free nations. No one nation alone can be successful.

Recognizing these facts, we have entered wholeheartedly into cooperative action with other free nations. We are contributing to the greater strength of the free world, and our own strength is being enhanced by the

contributions of the other free nations joined with us.

The cooperative economic programs in which we are engaged—principally the European recovery program—are excellent examples of the way joint action can add to the strength of all of us. By such joint economic action the free nations are building the foundation of their own security. Economic strength is now, and will continue to be, a prerequisite to the attainment of lasting political and military strength, and world peace.

To enhance this strength, we are engaged in cooperative action to build a stronger defense against aggression. In the Western Hemisphere and the North Atlantic area, we have entered into collective security arrangements within the framework of the United Nations Charter. In other parts of the world, we have helped to strengthen individual countries whose security is important to peace, and to our own security.

Our major effort has been devoted to Western Europe, because two great wars in this century have shown us beyond any doubt that our prosperity, our security, and indeed our survival, are bound up with the fate of the nations of Western Europe. In the face of the communist threat to the common peace and security, we entered last year into a compact with eleven other countries in the North Atlantic area. Together, we announced the principle that an attack on one would be regarded as an attack on all.

This was a historic step that has great meaning both here and abroad. It was evident that our people, and the people in the other countries which signed the North Atlantic Treaty, reject the dangerous futility of isolationism and understand the necessity of cooperation with other countries if peace and freedom are to be preserved.

Following the ratification of the Treaty, the nations set about the practical task of

providing for their common defense. The prompt enactment by the Congress of the Mutual Defense Assistance Act was one step toward that goal. To assist Western Europe and other nations whose freedom was threatened, the Congress authorized three types of aid: first, the direct supply of certain essential items of military equipment; second, the assistance of specialists in military production and training; and third, the transfer of machine tools and materials to enable increased production of military equipment. For these purposes, the Congress last year made available \$1,314,010,000 in funds and contract authority. A detailed description of the specific accomplishments of the mutual defense assistance program will be found in the report of activities under the program which I am submitting separately to the Congress.

\$1,000,000,000 of the sum made available last year was to promote the integrated defense of the North Atlantic area. We have made great strides toward this objective in the short period since the Act became effective. We have created an organization, and established procedures, which will assure the prompt carrying out of the program. Equipment has begun to flow abroad.

The North Atlantic Treaty countries have agreed on the general role which each is to play in the common defense. We are succeeding for the first time in history in overcoming considerations of national prestige and tradition, under which each nation felt bound to equip itself completely with men and resources in every branch of military activity. Our common defense planning, instead, will be based on a considerable degree of specialization. This will bring a much larger total strength from the resources devoted to defense purposes.

The recent meeting of the North Atlantic Treaty Council emphasized the need for balanced collective forces, and established a

permanent group, one of the tasks of which will be to function continuously in giving direction to the joint efforts of the Treaty partners toward this objective.

The complex work of preparing detailed defense plans, based on the concept of balanced collective forces, is now going forward. We have not yet fully determined the size and the nature of the forces and equipment necessary to insure ourselves against future aggression directed toward the North Atlantic area. But one thing is already plain. The military establishments of Western Europe are below the minimum level consistent with security. Those countries must build up their forces as swiftly as their resources permit, assisted by such help as we can afford. To this end, I recommend that the Congress authorize additional funds in the amount of \$1,000,000,000 for the next fiscal year. In conjunction with our own defense budget, and the defense budgets of the other Treaty countries, this will continue the work so well begun to bolster the defenses of the North Atlantic area.

The emphasis on the defense of Western Europe has not diverted our attention from the threats to the integrity of nations in other parts of the world whose security is closely linked to our own. The problem of security is world-wide. The threat of aggression casts its shadow upon every quarter of the globe.

The military assistance we have given Greece and Turkey since 1947 has brought impressive results. In Greece, it has brought guerilla warfare to an end, and has paved the way toward political stability and economic progress. It has given Turkey the ability to maintain its territorial and political integrity. Our military aid to Greece and Turkey must continue, but the amount required will be less than half that needed in the current fiscal year. For military assistance to Greece and Turkey for the next

fiscal year, I recommend that the Congress authorize funds in the amount of \$120,000,000.

That Iran remains an independent country in spite of continuous Soviet pressure is due in part to the strong support of the United States. The security of the Republic of Korea is under the constant menace of the communist-dominated regime in North Korea, whose purpose is to destroy the new republic established after free elections held under the auspices of the United Nations. The independence of the Philippine Republic, freely given it by the United States, has become a symbol to the Far East, and, indeed, to the whole world. Today, it is under attack by a subversive element among its own people, whose objective is to serve the ends of communist imperialism. For military assistance to Iran, Korea, and the Philippines, for the next fiscal year, I recommend that Congress authorize \$27,500,000.

The problem of security against communist aggression extends to certain other countries of the Far East which have been emerging as new and independent states. Recent events make it evident that the forces of international communism do not want these countries to grow in freedom—instead the communists seek to dominate them. The \$75,000,000 which the Congress authorized last year for assistance to countries in the general area of China has been available to help these nations ward off the threat to their security from subversive communist forces within their countries, and to help them prevent the further extension of communist imperialism in the Far East. The value of having these funds available has been amply demonstrated. Programs of assistance to countries in this area, such as Indo-China, are now underway.

The rapidly changing conditions in and around China require the constant re-evaluation of the situation in that area, and con-

stant readiness to act in the interests of peace when we can do so effectively. Accordingly, I recommend the authorization of an additional \$75,000,000 for military assistance to countries in the general area of China during the next fiscal year.

The security of the United States and the free world may demand prompt emergency assistance on the part of the United States to other imperilled nations whose continued integrity is of vital importance. I therefore recommend to the Congress that limited provision be made for authority to cope with such emergencies. It will not be necessary to provide additional funds for this purpose. Such emergencies will be sufficiently provided for if a small portion of the funds made available for military assistance may be shifted to meet such situations should they arise.

The present provisions of the statute under which the United States is authorized to provide military assistance to countries which can afford to pay for such assistance have proved unnecessarily restrictive. As enacted, the law limited the countries to which the United States could provide military equipment on this basis to those countries designated in the law and to those which have joined with the United States in a collective or regional security arrangement. There are, however, other countries the security of which is of importance to the United States and to which it would be in the national interest to provide military equipment at no expense to the United States. Moreover, limitations respecting the amount, time, and security of payment have tended to frustrate the purposes of the present provisions. I therefore recommend that Congress take action to modify the present provisions.

In addition to direct military supplies, assistance is now being provided to certain other countries in the limited form of ma-

terials and machine tools. We are helping our partner nations to increase their ability to help themselves by producing the equipment they need. The limitations in the law which prevent the furnishing of production equipment other than machine tools has interfered with programs of additional military production in a way which I am confident was not intended by the Congress. Accordingly, I recommend that the Congress authorize the provision of production equipment without limiting it to machine tools.

The recommendations I have made will, I believe, contribute to greater common strength among the free nations. They are designed, just as our own defense program is designed, to build the necessary level of military strength to discourage aggression, without undermining the economic strength which is fundamental to long-run security. In this field, as in others, we must preserve the momentum we have gained by our actions to build a stable peace.

The great concerted program of the free nations is a positive and dynamic program of constructive action, to use our combined resources to expand freedom and increase the well-being of all free people. The elements of our program—moral, political, economic, and military—are all inter-related. Each is an indispensable part of the whole effort to increase the strength of the free world against communist aggression—each is vital to the effort for peace and human advancement.

Our program for peace is consistent with the legitimate aspirations of all nations—it is a program which can be joined, fully and honorably, by any nation which sincerely desires to work for peace with freedom and justice. The United States is not interested in building up power blocs which compete for resources and seek to dominate others. We are striving for conditions of peace under which all nations and all peoples can advance together toward greater freedom and happiness.

That is why we are continuing to give unfaltering support to the United Nations, and to all efforts to make it a more effective agency for world order.

That is why we are continuing to work toward world economic recovery, and a structure of international economic relationships which will permit each country, through the free flow of trade and investment, to achieve sound economic growth.

That is why we must continue to strengthen the common defense of free nations to the point where communist imperialism comes to realize the impossibility of taking them over. When this is done, the leaders of this imperialism will recognize that their own interests will be served by cooperating with the free nations. Then—and only then—will a lasting peace be achieved.

HARRY S. TRUMAN

NOTE: On July 26, 1950, the President approved a bill "to amend the Mutual Defense Assistance Act of 1949" (64 Stat. 373). See Item 201.

152 The President's News Conference of *June 1, 1950*

THE PRESIDENT. I have no special announcements to make. I will try to answer questions.

[1.] Q. Mr. President, Senator Hum-

phrey made a speech yesterday, in which he invited the liberal Republicans to join the Democratic Party, and in which he more or less invited the conservative Democrats to

get out and go over to the conservative Republicans. What do you think of that political philosophy?

THE PRESIDENT. I think the Democrats would like to have all the votes they can get. I don't care about driving anybody out of the Democratic Party.

[2.] Q. Mr. President, do you favor any other Cabinet officers appearing informally before Congress and being questioned? ¹

THE PRESIDENT. Whenever the Congress would like to see them, of course they are all available; and this isn't any precedent that has been set, I think this is the third time it has been done.

Q. Well now, in the future, sir, would you also favor the question period being spent on the radio, which was cut off yesterday?

THE PRESIDENT. Well, that is up to the Cabinet officer himself whether he wants to be questioned or not. He doesn't have to be questioned if he doesn't want to be.

[3.] Q. Mr. President, did Secretary Sawyer consult with you before asking for the resignation of Mr. Remington? ²

THE PRESIDENT. No, that is a departmental affair.

Q. Do you have any comment?

THE PRESIDENT. No comment.

[4.] Q. Mr. President, I apologize for

¹On May 31 Secretary of State Dean Acheson appeared before approximately 250 Members of the Senate and House of Representatives at an informal session in Coolidge Auditorium in the Library of Congress. The Secretary's address was followed by a question and answer period. (See Department of State Bulletin, vol. 22, p. 931.)

²William W. Remington resigned from his position as an economist in the Department of Commerce on June 9, 1950. Secretary of Commerce Charles Sawyer requested the resignation on May 27.

In 1948 the Department had suspended Mr. Remington after Elizabeth Bentley testified before the House Committee on Un-American Activities that he had Communist affiliations. In February 1949 he was cleared by the President's Loyalty Review Board and reinstated in the Department. He was indicted on June 8, 1950, by a New York grand jury on a charge that he had lied in denying he had ever been a member of the Communist Party.

asking a tough question—

THE PRESIDENT. It's all right.

Q. —as I understand it, the import tax on copper becomes effective June 30th unless the present waiver is extended by Congress. It seems to be a matter of some international interest.

THE PRESIDENT. I hope the Congress will extend it.

Q. You hope the Congress will extend it?

THE PRESIDENT. I hope the Congress will extend it.

Q. In that connection, would you say whether this matter has been discussed by the Chilean Ambassador with you?

THE PRESIDENT. The Chilean President himself discussed it with me.

Q. The Chilean President.

[Pause here]

[5.] Q. Mr. President, I'll ask one.

THE PRESIDENT. All right, Eddie ³—go ahead.

Q. Mr. President, according to a Gallup poll, a majority of Americans expect a war within the next 5 years. I know that you yourself have said that you are not alarmed. I wonder if you would comment on that feeling—

THE PRESIDENT. I don't agree with that at all. I am doing everything I possibly can to prevent any war of any kind and to make the United Nations operate for a permanent peace in the world. I think we are closer to that now than we have been in the last 5 years.

[6.] Q. Mr. President, just to avoid confusion, I understood your hope is that the waiver on the tax would be extended; that is, that the tax will not become effective? Is that so?

THE PRESIDENT. That's the idea, yes. The authority of the President to waive the tax is what I would like to see extended.

[7.] Q. Mr. President, to clarify the an-

³Edward T. Folliard of the Washington Post.

swer in response to Eddie's question, you think we are closer to peace than we have been in 5 years?

THE PRESIDENT. I do. I thought I made that perfectly plain on that nonpolitical trip across the country.

Q. It comes up again.

THE PRESIDENT. If you will read my speech at Laramie, Wyo., I think you will get some enlightenment on it.⁴

[8.] Q. Mr. President, Senator Margaret Chase Smith made a speech in which she said that she did not want to see the Republican Party in the congressional elections this year ride to victory on what she called the four horsemen of fear, ignorance, bigotry, and smear.⁵ Do you have any comment on that, sir?

THE PRESIDENT. No. I wouldn't like to make a comment as strong as that about the Republican Party. [*Laughter*]

[9.] Q. Mr. President, do you intend to act shortly on an Executive order to give the Senate committee investigating crime the power to look into income tax returns? ⁶

THE PRESIDENT. The matter has been referred to the Attorney General and the counselor for the President. There is a precedent by which we can go. I had such an order myself when I was running the committee in the Senate.

Q. Pardon me—you mean the question of whether the income tax returns or information from them can be made available?

THE PRESIDENT. What the committee is asking for is information that will contribute to their successful work as a committee to investigate crime, and that would include a

great many departments, as well as the Department of Justice.

Q. Mr. President, did you have access to the returns themselves, or just to some of the returns?

THE PRESIDENT. I had access to the returns themselves.

Q. And you think that this committee should have the same access, sir?

THE PRESIDENT. Well, I am waiting for an opinion from the Attorney General and my counselor.

Q. Mr. President, in order to get this accurate, you would give them every possible—

THE PRESIDENT. Every possible cooperation. Every possible cooperation.

[10.] Q. Mr. President, Charlie Ross ⁷ told us this morning that President Auriol of France was coming over here next year. I believe it will be the first time that a President of France has made such a visit—

THE PRESIDENT. No, Tony,⁸ you are wrong. General de Gaulle was here when he was President of France.

Q. Would you comment on the significance of the visit?

THE PRESIDENT. Well, it is just a friendly gesture on the part of the President of France, the same as the visit of the President of Chile, the President of Mexico, and the President of Brazil. We would be most happy to entertain the President of France, and give him every courtesy that he is entitled to as the head of a great republic.

Q. Mr. President, do you plan to return President Auriol's visit?

THE PRESIDENT. I have no plans in that direction. Little previous, because he won't be here until March next year.

Q. We are just planning. [*Laughter*]

⁴ See Item 119.

⁵ Senator Smith's remarks were made on the floor of the Senate before she read what she called a "Declaration of Conscience" issued by herself and six other Senators. The declaration was critical of Senator Joseph R. McCarthy of Wisconsin. (See Congressional Record, vol. 96, p. 7894.)

⁶ See Item 168.

⁷ Charles G. Ross, Secretary to the President.

⁸ Anthony H. Leviero of the New York Times.

THE PRESIDENT. I may not be asked, you can't tell.

[11.] Q. Mr. President, can you tell us now anything about Mr. Trygve Lie's conversation with you last week?

THE PRESIDENT. No, I have no comment on that.

[12.] Q. Mr. President, are you planning to appoint General Smith as Chief of the Central Intelligence Agency?

THE PRESIDENT. Admiral Hillenkoetter is the head of that Agency now, and when Admiral Hillenkoetter gets ready to be

moved back into the Navy, I will make the announcement so everybody will know about it.⁹

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and twenty-seventh news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, June 1, 1950.

⁹ The appointment of Gen. Walter B. Smith to succeed Rear Adm. Roscoe H. Hillenkoetter as Director of the Central Intelligence Agency was confirmed by the Senate on August 28, 1950. The admiral returned to active sea duty with the Navy on October 7, 1950.

153 White House Statement Announcing the Establishment of the President's Commission on Migratory Labor. *June 3, 1950*

THE PRESIDENT today established, by Executive order, a five-man Commission on Migratory Labor to make a broad study of conditions among migratory workers in the United States and of problems created by the migration of workers into this country.

The President appointed Maurice T. Van Hecke, now professor of law, North Carolina University, Chairman of the Commission, and named as the other members: Robert E. Lucey, Catholic Archbishop of San Antonio, Tex.; Paul Miller, chief, University of Minnesota Extension Service; William Leiserson, former chairman of the Mediation Board, and Peter H. Odegard, University of California, professor of political science.

The Executive order creating the Commission directs it to report by December 15, 1950.

The Commission's study will center upon three important and related questions:

1. The social, economic, health, and educational conditions among migratory workers in the United States, and responsibilities

now being assumed by Federal, State, county, and municipal authorities to alleviate conditions among these workers.

2. The problems created by the migration into the United States of alien workers for temporary employment, and the extent to which alien workers are now required to supplement the domestic labor supply.

3. The extent of illegal migration of foreign workers into the United States, and whether and how law enforcement measures may be improved to eliminate illegal migration.

The number of migratory workers in the United States has been variously estimated at from 1 to 5 million workers.

Previous studies have shown that in many instances living standards among migratory workers and their families are markedly below those of other elements in the population, and that because of the absence of a fixed residence as well as their specific exemption in various laws, the migratory workers are frequently denied the benefits of Federal, as well as State and local, social legislation.

Besides the domestic migratory workers, the United States since the war has imported farm laborers, principally from Mexico. The migration from Mexico is governed by an international agreement which was negotiated on several occasions, the current agreement having been signed in 1949. A number of organizations have taken a stand against the further importation of alien workers, contending that domestic labor can fulfill the needs in the United States, while other organizations have insisted that agricultural production would suffer if employers could not fall back upon alien labor in instances where domestic labor proved to be insufficient.

Legal migrants from Mexico have been supplemented for many years by illegal migrants, called "wetbacks" in the Southwest because of their traditional method of entry by wading or swimming the Rio Grande.

Thousands of illegal entrants are now being deported each month by the Immigration and Naturalization Service, but no means has yet been found for completely sealing the border against further illegal entries.

The order directs all of the Government departments to cooperate with the Commission in its work. The several departments affected joined in preparing the order and identifying the problems which the Commission will study.

NOTE: The Commission was established by Executive Order 10129 (3 CFR, 1949-1953 Comp., p. 317).

On June 23, 1950, the White House announced that the Commission was receiving data from different Federal agencies on the various aspects of migratory labor problems and was planning hearings with private and church organizations in the near future.

The Commission's report, entitled "Migratory Labor in American Agriculture," is dated March 26, 1951 (Government Printing Office, 188 pp.).

154 Statement by the President Upon Signing the Foreign Economic Assistance Act. *June 5, 1950*

I HAVE today signed the Foreign Economic Assistance Act of 1950. This act is a major contribution to peace and freedom in the world.

This memorable act is a tribute to the wisdom and vigor of the forward-looking Members of the Congress of both political parties, of both Houses, and particularly to the hard work of the responsible congressional committees.

The Foreign Economic Assistance Act contains within it the authority to go forward with five programs of foreign aid.

It authorizes, first, continuation of the European recovery program for a third year.

It authorizes, second, continued aid to the free peoples of Korea, southeast Asia, and non-Communist China.

It makes possible, third, a program of relief and public works for the Arab refugees from Palestine.

Fourth, it provides legislative authority for going ahead with the program of technical assistance to help build up economically underdeveloped areas, a program which has become known as "point 4."

And, finally, it authorizes continuing support for United Nations programs on behalf of children.

Each of the five programs authorized in this act will contribute to our purpose of strengthening the cause of freedom, through economic measures which will demonstrate the effectiveness of free institutions in meeting human needs.

Taken together, they add up to a broad,

enlightened, and typically American enterprise in the building of a safe and prosperous world.

Four of these five programs are already underway.

In the first 2 years of the European recovery program, with our essential aid, the people of Europe have made great strides in rebuilding their economies. This has enabled them to preserve and strengthen their free institutions, and to deal successfully with the threat of communism on their own soil. They are drawing closer together in common purpose and in common defense. I am confident that this third year of our assistance will give impetus to increasing cooperation by these countries, will add greatly to their collective strength, and will bring closer the day when they can contribute on a self-sustaining basis to the economic growth of all free nations.

The benefits of American support to independent Korea, non-Communist China, and certain new countries in southeast Asia have been considerable. Millions of people in Asia have recently become independent. They see in that independence a chance to work for a better life. We have supported their independence. The economic aid authorized in this act will give them tangible evidence of our continuing friendship and support.

I am especially glad that the Congress has taken action with respect to the problem of the Arab refugees from Palestine. The program authorized in this bill carries out the recommendations of the United Nations Economic Survey Mission for the Near East, headed by Mr. Gordon Clapp. This program has been drawn up in the light of the serious problems facing the Palestine refugees, and with the economic potential of the Near East in mind. Successful development in this area will make an obvious contribution to the maintenance of peace. To

achieve this aim, we shall need the cooperation of other members of the United Nations, who have expressed their interest in the problems of the Arab world. We shall count also, on the continued work of private agencies. Government programs will supplement, but not replace, their work.

Many Americans have become familiar with the magnificent work of the United Nations on behalf of children whose lives were damaged by war and its aftermath. This act will enable us to support new and permanent arrangements, under which the United Nations can deal with the continuing needs of children. In the meantime we can give such support to the present emergency fund as may be needed to prevent a lapse in this essential work.

The major new step forward in this act is the authorization it contains for a program of technical assistance for the underdeveloped areas of the world. The exchange of technical knowledge and skills, and the fostering of capital investment abroad, are not new ideas. They are in line with the American traditions of initiative and free enterprise.

But we are now ready to put these activities on an organized, sustained basis and to direct them toward the building of a more prosperous and peaceful world. If we can, gradually but steadily, help to replace sickness with health, illiteracy with education, poverty with a higher standard of living, for the millions of peoples who live in underdeveloped areas, we shall make a tremendous contribution to the strength of freedom and the defeat of Communist imperialism.

This act will enable us to give, from our abundant store of scientific and technical knowledge, assistance to underdeveloped nations who have the initiative and vigor to help themselves.

This act authorizes activities by the Government. But far more than Government

action will be required. I look forward to the continued work of the many private groups who have had experience in this field. I look forward to the interest of our young people, whose technical skills can find such important employment in this work. I look forward to expanded business investment in these areas which will be made possible as their economic systems grow in strength and stability. I hope the Congress will soon enact the companion measure to

this act, which will encourage and support such business investment.

The present act is a memorable step forward in our program for peace. I am confident that the Congress will follow through promptly by appropriating the full measure of funds necessary to carry out the programs authorized in this act.

NOTE: The Foreign Economic Assistance Act of 1950 is Public Law 535, 81st Congress (64 Stat. 198).

155 Address Before the President's Conference on Industrial Safety. *June 5, 1950*

Mr. Secretary of Labor, ladies and gentlemen of the conference:

I am very glad to welcome you to the second session of this conference on industrial safety.

What I am trying to do is to save people from unnecessary death and permanent disability. We have saved over 40,000 lives and untold numbers from total disability in highway safety conferences.

As a result of last year's conference, we have saved as many as a thousand lives and a great number from total disability.

Now, we are going to continue in our efforts to make it safe for the people in this country to live and enjoy life. It is up to you gentlemen to improve and improve and improve, until we arrive at the point where we will really have very few accidents and very few deaths in this industrial organization of ours.

The conference met last year to launch a long-range program of cooperative action to reduce accidents among industrial workers. You are now meeting again to consider the progress that has been made and to improve the program for the years that lie ahead.

The progress you have made since last year is encouraging. It certainly shows that

last year's conference and the program you adopted then were worthwhile. However, we have no cause for complacency.

Last year, we set a goal—to cut the job accident rate in half by the end of 1952. The figures now available show that in 1949 the number of work injuries was reduced by 7 percent—only 7 percent in 1949. You see what you have got ahead of you now, if you reach the goal in 1952—at the end of 1952. That is 7 percent of progress, but it is not good enough. We can do better than that and I think we are going to do better than that.

I am most optimistic about our future progress in this field because of the way in which the great cooperative movement represented by this conference is gaining headway. State governments are more and more accepting their responsibility to carry the message of safety to every business establishment, large and small. State Governors are giving their wholehearted cooperation. Many of them are holding State conferences patterned after this national conference.

One measure of the growing interest in industrial safety is the large attendance here today. Many of you come from organizations and industries which were not repre-

sented last year. Others are here for the first time because their interest has been aroused by the State conferences. I join with the other veterans of last year's conference in expressing our pleasure at having new recruits added to our ranks. I am sure that you will bring new vigor to our endeavors.

The task to which you have set your hand is a worthy one. It is vital to our country both in terms of human happiness and in economic well-being. Few tasks are more important than to prevent suffering and to save lives.

The great tragedy of accidents is that most of them need never have happened. I have heard it said that "accident" is just another word for carelessness. There is much truth in that. I become impatient—and I'm sure you do, too—when I think of all the misery and hardship that result from just plain carelessness or indifference on the part of employers and employees.

To my mind, the number of work injuries that are suffered in the United States each year is absolutely inexcusable. Certainly it is appalling. In 1949, 15,000 persons were killed in work accidents and 79,000 were permanently disabled. The total number of injuries resulting in a loss of time from work is estimated at 1,870,000 people. It is difficult to realize the significance of these figures in terms of human suffering and economic loss. We may understand them better if we stop to think that as many people were killed as if the city of Plymouth, Mass., had been completely wiped out.

We didn't pay any attention to those killings—those 15,000 killings—because they happened separately and one at a time. But if the city of Plymouth, Mass., had been wiped out, we would be doing everything we could to prevent the thing that caused that disaster.

As many were permanently disabled as if all the people in Durham, N.C., had been laid low with some dread disease from which they could never fully recover. Now, if that had happened, we would have done just what we would have done in the case of Plymouth, Mass. We would have put every effort—Government, local, State, and national—into the thing to try and prevent it from happening again.

And the total number of injured was as great as the entire population of the State of Oregon, or any one of a number of other States. Now, that is appalling—that is simply appalling. That is the reason I called you here, to see if we could do something about it. That is the reason I call these highway conferences, to see if we can do something about the slaughter that takes place on the highways. That is tremendous, and it is appalling.

And, you know, organizations such as this are much more effective in the program which we are trying to put over than anything that the Government can do by law or by action. There must be complete cooperation of the people who are in the industry, if we are going to stop this. This same thing is true on the highways.

This is a situation we cannot tolerate. We must go forward with our efforts to cut down industrial accidents. The public interest and our own personal interests demand it.

So far as this conference is concerned, I want it to become the strongest possible organization of cooperating agencies, public and private, dedicated to the prevention of job injuries. I believe its committees should function the year round to survey safety problems and to develop recommendations for their solution. I want these committees to help apply their recommendations to every workplace in the Nation. I hope that every

organization represented in this conference will give serious study to your recommendations and will do its best to put them into effect.

I hope the States which have not yet held industrial safety conferences will be inspired by those which have—and will organize such meetings as soon as they can. I hope that as conferences are held, each State will provide for a permanent, continuing, voluntary organization of business, labor, and other leaders to carry the safety message to every plant and factory.

We must concentrate on reaching the smaller firms which have no organized safety programs. At least 70 percent of the job accidents occur in the small firms.

We must persuade managers of businesses to work for safety. They need to design safety into their plants, machinery, and equipment. They need sound safety organizations—and sound safety organizations are the greatest asset that business can have—though not necessarily expensive ones. They need to train supervisors and workers. They need close worker-management cooperation for safety.

You have Government cooperation on this. You have got not only Government cooperation with management and the people who work, but you must have the cooperation of the Government and the local authorities to help meet the situation with which you are faced.

We must persuade workers and their unions to cooperate fully in developing safety programs and observing safe work practices. Every worker should understand clearly the loss of wages and the human suffering that result from injuries.

This is the kind of message you who are attending this conference should carry home with you. We must arouse all our citizens to join together in preventing the needless

accidents that do so much to deprive our people of their happiness and rob our Nation of its strength.

In these times we cannot afford to be wasteful of our national strength. The United States and other free nations throughout the world are challenged by the threat of totalitarianism. To meet that threat successfully requires the good health and the vigorous effort of all our citizens. Our task is neither an easy one nor a short one.

Make no mistake about it. The most important job for you and me and every other American today, is to do our full share in preserving freedom and establishing peace in the world.

Some people would have us forget that fact and draw back into our shell while the totalitarian tide rolls over the world. Others, at the opposite extreme, cry hysterically for us to turn ourselves into an armed camp overnight—without regard to what happens to the rest of our national life. Neither of these courses will meet the problem.

What is called for is a program that will create the greatest possible national strength—civilian and military combined—over a period of years. This Nation's voice in the world can never be any stronger than our national economy and the will of our people to defend our way of life. That is why it is so important that we press forward with programs to increase our productive capacity and improve our standard of living. That is why it is more important than ever for us to prevent the losses that result from industrial accidents. We cannot afford wasted resources or wasted lives.

The work you are doing here today is in the best traditions of democracy. It represents the finest kind of voluntary cooperation between private and public groups. It is aimed at a problem which is vital to us—both as individuals and as a great Nation.

To the extent that you succeed in your efforts, the richness and dignity of human life in the world will be increased and the cause of peace and freedom will be strengthened.

Thank you very much.

NOTE: The President spoke at 11:05 a.m. in the Departmental Auditorium in Washington. In his opening words he referred to Secretary of Labor Maurice J. Tobin. The conference was held in Washington June 5, 6, and 7, 1950.

156 Statement by the President Upon Appointing a Committee To Review Veterans Hospitals. *June 5, 1950*

IN ORDER to provide clarification of existing hospitalization problems and needs of disabled veterans, I have today appointed a special committee to review certain of these problems, especially those of the paraplegics and amputees.

The committee will consist of Dr. Howard A. Rusk, chairman of the Department of Physical Medicine and Rehabilitation at the New York University College of Medicine and Bellevue Hospital; Dr. Arthur Abram-

son, head of the Department of Physical Medicine and Rehabilitation at the Veterans Administration Hospital, Bronx, N.Y., an outstanding physician and himself a paraplegic; and Rear Adm. Robert L. Dennison, the Naval Aide to the President.

The committee has been authorized to call in consultants and specialists as it may find necessary. It will report its findings to me.

157 Address at a Dinner of the Better Business Bureaus. *June 6, 1950*

Mr. Chairman:

I am glad to have this opportunity to talk to a group of businessmen from all over the country. I want to congratulate those prizewinners, and I want to congratulate those who awarded the prizes. It certainly is a step in the right direction for the welfare of business and for the welfare of the country. I am particularly happy to meet and talk with a group of this kind, which is so deeply concerned with the relations between business and the public. It is important to the welfare of the Nation to have understanding and mutual confidence between business and the public which business serves.

It is one of the purposes of the Better Business Bureaus, I understand, to help create that kind of relationship. And I

think they have gone at it in the right way. Your bureaus have not relied on propaganda extolling the virtues of business. They have gone to work to clean out the shady areas in the commercial world. They have set out to give real meaning to their slogan: "Private Enterprise in the Public Interest"—private enterprise in the public interest!

Some people talk longingly about the "good old days" of business. They tend to forget that business in those good old days was often marred by fraud, false advertising, and other sharp practices. I think these Better Business Bureaus have made a wonderful contribution in virtually removing that old English common law phrase "caveat emptor."

Business in the old days did not have the ethical standards which it has now. The

growth of high standards for business has been greatly aided by the Better Business Bureaus. In this way, you men gathered here have done a great deal to strengthen our system of free enterprise.

There was a time when the slogan of this organization, "Private Enterprise in the Public Interest," would not have been popular among businessmen. They would have resisted it as vigorously, if not quite as bluntly, as old W. H. Vanderbilt did when he said, "The public be damned!" We have come a long way since that time. The tycoons of those days believed in the right of business to rule the rest of the community. They believed in the divine right of business in the same way that men used to believe in the divine right of kings.

But the belief in the divine right of business was completely discredited by the great depression, and it has never come back. Today, people know that no single group has the right to rule the whole community. We know that all our major groups—business, agriculture, and labor—must work together for the interest of all.

The prosperity of business depends upon the prosperity of the farmer and the wage earner. They are its customers. And if its customers are having hard times, business will suffer. Nobody knows that any better than I do. It is to the advantage of business, therefore, to see that the purchasing power of the other groups is kept up. That is a very simple truth, but it has taken some of our citizens a long time to learn it. Some of them have not learned it yet. But most of us have, and as a result our whole national economy is healthier and sounder.

At the same time that we have been learning that private enterprise must serve the public interest, we have been learning that action by the Government is necessary at times to help make the private enterprise system work.

I know that you have been hearing a lot of charges lately about Government interference with business, about the undermining of the free enterprise system, and about "creeping socialism." In short, you have been hearing that the Government is doing everything possible to wreck every industry in the country.

Nothing could be further from the truth. The record shows that the Government action in recent years has been the salvation of private enterprise.

All you have to do is to remember the conditions in 1932 and compare them with conditions today. In 1932 the private enterprise system was close to collapse. There was real danger then that the American people might turn to some other system. The private enterprise system was in danger because it was failing to meet the needs of our people. The only way to preserve the private enterprise system was to make it work. That is what we have been doing since 1932.

But, how successful have we been? Let us look at the record.

Private enterprise today is strong and flourishing. Industrial production is three times what it was in 1932. Corporate business as a whole lost more than \$3 billion in 1932. Today, corporate profits, after taxes—after taxes—are at the rate of more than \$18 billion a year. That very same condition could prevail today with the Government if the men responsible for our tax policy were realistic and would meet changed conditions in the world as we must meet those conditions.

I know there are some people who still don't believe that the policies of the Government have had anything to do with our present prosperity. That reminds me of a story I heard on my recent nonpolitical trip. It seems that there was a rock-ribbed old gentleman of a political persuasion, shall we say, somewhat different from mine. One of

his friends asked him what man to vote for for President in 1952.

"Well," he said, "I would like to vote for Dewey."

"Dewey!" said the friend. "Why Dewey?"

"Well," he said, "I voted for him the last two times, in 1944 and in 1948, and business has never been so good as it is today."

My own belief is that the Government is entitled to part of the credit for the good times we are enjoying. I also believe that business is entitled to credit, and so are labor and agriculture. I think the great lesson we have learned is that we can all work together for our mutual benefit—that each of us has a proper part to play in keeping our economy strong and healthy.

Our whole economy has been strengthened by the progress which the Government has followed during the last 17 years. This program has included such measures as loans to business, bank deposit insurance, and regulation of security markets. It has included old-age and unemployment insurance, minimum wages, slum clearance, and low-rent housing. It has included resource development and progressive agricultural legislation. Such measures as these have given stability to the economy, they have broadened the distribution of purchasing power, and they have provided an economic climate in which private enterprise can and does flourish.

All this has been accomplished in the face of the greatest and most persistent campaign of propaganda that this country has ever known. This propaganda campaign has been directed against the Government action for the benefit of the people. It has been designed to undermine the belief of the people in their Government. It has tried to frighten the people away from using the powers of the Government for their own good. Year after year, it has asserted that

the policies we were following would lead straight to disaster.

Why, just the other morning I saw in one of our local morning papers that the steel industry was proceeding at 101 percent of its capacity, and that the country was going to hell because they just couldn't do that!

This propaganda campaign has been backed by enormous amounts of money. But it has failed. It has failed to shatter the confidence of the people in their Government. It has failed to terrify businessmen or dampen their courage and initiative.

It has failed because it was essentially false. The plain fact, evident to every citizen, is that the policies we have been following have led not to disaster, but to progress and prosperity.

In spite of this fact, the campaign of propaganda is being stepped up this year. You know why, of course! They still don't believe in 1948! We are all being deluged with it. There are books, and columns, and advertisements, and pamphlets, and broadcasts, and chain letters, all telling us that the Republic is in peril, and that we are on the last mile, that socialism lies just ahead.

The funny thing is that this has all been said before. The current campaign is almost exactly like the campaign of the old Liberty League, back in 1935 and 1936. I was in that campaign, too, by the way. It uses the same old slogans, the same old scarewords, and the same old falsehoods. The only difference is that it sounds even more foolish now than it did 14 years ago.

On my recent nonpolitical trip, I noticed very, very little wreckage and ruin around the country. I saw no grass growing in the streets. Instead, I saw industrious, hard-working citizens, happy homes, new businesses, growing communities. I visited a part of the country that has experienced a phenomenal expansion and development in the last 10 years—due in large measure to the constructive policies relating to natu-

ral resources and agriculture that this Government has been following. I did not find socialism. I found a tremendous increase of normal, American business enterprise.

When I saw these things, I thought of the great changes that have taken place in this country in recent years. We have witnessed developments that make the outcries of the old Liberty League, and its present-day imitators, completely ridiculous. We have proved that the powers of the Government can be used for the good of the whole people. We have proved that the major groups in our country can work together for the good of all.

In the early 1930's our farmers were overwhelmed by debt and despair. Today, we have the most productive and prosperous agriculture in the history of the world.

In the early 1930's our labor union movement was struggling for recognition. Today it is the largest movement of free trade unions in the world, with a recognized place and responsibility in the councils of the Nation.

In 1932 our system of business enterprise was under attack and uncertain of its own future. Today, it is stronger than it has ever been before.

If you want this picture in a nutshell—our national output in 1932 was less than \$60 billion. Today, it is more than \$260 billion.

Since 1932 this country has progressed not toward socialism, but toward greater prosperity and freedom for all. The use of the powers of the Government for the good of all has not led to regimentation. Instead, it has released what Woodrow Wilson called, and I quote: "the splendid energies of a great people who think for themselves."

And in this period we have learned another great lesson. We have learned the lesson that there is a lot of room in our expanding economy. We have learned that if our economy continues to expand there is

room for the legitimate activities and ambitions of us all.

This lesson, too, knocks the props out from under the arguments of the reactionaries, because their arguments are the arguments of defeatism. They are based upon a narrow vision of the future—upon a belief in a static and shrinking economy.

Let me give you just a few examples.

In the early days of the New Deal, social security was opposed by the private insurance companies, because they believed that it would take business away from them. Just the opposite has proved to be the case. The social insurance maintained by the Government has been a spur and a stimulus to the private insurance business. Today, there are 65 million more private insurance policies than there were in 1936—a 50 percent increase.

Take another example—the private power companies opposed the building of hydroelectric facilities by the Federal Government. And I want to say to you that if these hydroelectric facilities had not been built on the Columbia and the Tennessee Rivers, we would have lost this war. They said that the Government dams would put the private companies out of business. But just the opposite has proved to be the case. Low-cost public power has helped to broaden the power market and encourage industrial growth. This has meant bigger markets for the private power companies, and they have increased their capacity from 32 million to 50 million kilowatts since 1933—nearly a 60 percent increase.

Today, we have learned that these Government activities—such as social insurance and hydroelectric development—do not harm business. Instead, they increase the wealth of all, and in that way they increase the opportunities of all business.

We have an expanding economy now. We must continue to have an expanding

economy. Every year sees a larger population of the United States. As our population increases, our needs increase.

Furthermore, our industry and agriculture can and should produce more abundantly every year. New inventions, new machines, new methods constantly increase the productivity of American industry. With these increases in productivity, the real wages of our workers can and should increase. They will then be able to buy more and to lead better lives. To satisfy their needs will require more business investment and more new and independent businesses every year.

I have recently recommended to the Congress certain measures that will help to channel more private capital into smaller enterprises and new investments. These measures will help our economy to maintain a constant and steady rate of growth.

Congressional hearings are beginning next week on legislation to carry out these proposals. I very much hope the legislation will be passed before the Congress goes home. It will mean a lot to several million small and medium-sized businesses and to the people who are working for them.

There are some politicians and commentators who have been making fun of the idea that our economy has to grow continually. They have been calling it unrealistic and foolish. But it doesn't appear foolish to responsible leaders of business and labor. The General Motors Corporation—not necessarily a New Deal organization—and the United Automobile Workers recently signed a collective bargaining contract for a 5-year period, providing regular wage increases based on increased productivity. This kind of faith in our future is the answer to the gloom and despair offered by the present-day Liberty Leaguers.

A prosperous and expanding economy in

the United States is necessary not only to provide an adequate standard of living for our growing population; it is also necessary to our paramount objective of peace and freedom in the world. That is an objective to which—above all else—we must dedicate our efforts and our resources.

The economic strength of the United States is an indispensable support of freedom in the world today. Our industrial production, which is roughly equal to that of the rest of the world combined—get that!—our industrial production is roughly equal to that of all of the rest of the world combined—that production furnishes mighty assurance that the free world will and can defend itself. The margin of aid we are able to provide is essential to the economic health and military security of the peoples of the world who are working with us to secure peace and freedom and justice.

Moreover, a prosperous and expanding economy in this country is essential if the cause of freedom is to hold the allegiance of men in other countries. For today, the merits of our democratic system are being challenged by communism all over the world. The most persuasive argument the Communists have is not anything Marx or Lenin ever wrote, or anything Stalin ever said—but the depression which began in the United States in 1929. And the Russians have been waiting for another one ever since Potsdam. That depression weakened the faith of many men throughout the world in the ability of our democratic institutions to meet the needs of our people. That depression is still used by the Communists to shake the faith of millions in the way of life that this Nation represents.

If we are to win the struggle between freedom and communism, we must be sure that we never let such a depression happen again. I believe we can prevent it. I believe

all groups in this country can move forward together in steady economic growth and progress.

We have to use our strength wisely in support of prosperity and peace throughout the world. This is a big job and we cannot expect to accomplish it quickly. But we are equipped—morally and materially—to do it. And we must do it.

This is our greatest challenge. We must meet it with confidence and with faith.

NOTE: The President spoke at 10 p.m. at the Shoreham Hotel in Washington. His opening words "Mr. Chairman" referred to John N. Garber, chairman of the board of the Association of Better Business Bureaus.

The prizewinners whom the President congratulated at the beginning of his remarks were the recipients of awards for outstanding services in their communities: Marshall A. Mott, president of the Cleveland Better Business Bureau, W. L. Templeton, manager of the Better Business Bureau of Vancouver, British Columbia, and John L. O'Brien, manager of the Akron, Ohio, Better Business Bureau.

158 Remarks at the 91st Annual National Convention of the Augustana Lutheran Church. June 7, 1950

Mr. President, and members of the Synod:

It is a very, very great honor to have the privilege of appearing before you this afternoon. I appreciated most highly what your president had to say.

Never in the history of the country has a servant of the people—and that is what the President is—needed your support and your prayers as does the present occupant of the White House.

We are faced with tremendous responsibilities. We have become the leaders of the moral forces of the world, the leaders who believe that the Sermon on the Mount means what it says, the leaders of that part of the world which believes that the law is the God-given law under which we live, that all our traditions have come from Moses at Sinai, and Jesus on the Mount.

We are endeavoring to live by that law. We are endeavoring to act by that law.

We have forces in the world that do not believe in a moral code, that even go so far as to say that there is no Supreme Being, that material things are all that count.

Material things are ashes, if there is no spiritual background for the support of those material things.

We are endeavoring now to obtain peace in the world based on the moral code in which we all believe.

On April 12, 1945, a terrible thing happened to this country, we lost the President of the United States. And the Vice President took his place. In my first message to the Congress, after that event took place, I asked that all believers help me to attain that which Solomon asked when he was made King of Israel, wisdom to do a job—the greatest job in the world—as it should be done.

No man, no matter how great or how informed he may be, is capable of filling the Presidency of the United States in the manner in which it ought to be done. All any man can do is to do as best he can in the interests of all the people of the United States. He is a servant of all the people of the United States, and the United States is a servant of all the people in the world.

You, in your prayers, in your teachings of the moral code, are the greatest support that a free government can have, a government of and by and for the people, a government in which the rights of the individual come first, a government which is a

servant of the people.

The power to rule is in the people, according to the Constitution of the United States under which this Government acts—the greatest government that the sun has ever shown upon.

I hope that we may continue to improve in grace. I hope we may continue to carry out those principles on which this Government is founded. I hope we in the end may have a world founded on that same basis.

There is no reason in the world for disagreements between peoples. There is room

enough, there are resources enough for everybody to live at peace with everybody else.

That's all I am working for. That's all I hope to attain.

I can't tell you how very much I appreciate the privilege of appearing before this wonderful gathering.

Keep up the good work.

Thank you very much.

NOTE: The President spoke at 4:50 p.m. at the Augustana Lutheran Church in Washington. His opening words "Mr. President" referred to the Rev. Dr. Petrus O. Bersell of Minneapolis, Minn., president of the Augustana Lutheran Synod.

159 Commencement Address at the University of Missouri.

June 9, 1950

Mr. President, members of the faculty, distinguished guests, and the Class of 1950:

I am very glad to take part in these graduation exercises at the University of Missouri.

The young men and women graduating here today deserve congratulations, for they have proved that they are able to think for themselves, and to work hard day by day to reach a truly worthwhile goal.

These university graduates, and their fellows at other schools all across our country, should be congratulated for another reason, too. They should be congratulated because they are entering a world of greater opportunities than young people have ever entered before.

You hear a lot of talk these days to the effect that the world is full of dangers, and that our civilization is heading straight for disaster. Of course, the world is full of dangers—the world always has been full of dangers, for people in every country and at every period of history.

As men have gained more scientific knowledge the dangers which could come from the misuse of that knowledge have grown greater. But by the same token the oppor-

tunities for human advancement have also become greater.

Our scientific achievements can be used for good, and need not be used for evil. Our civilization need not wind up in disaster; it can go on to greater heights. Those who are frightened and dismayed do not have faith that men will use scientific advances for good ends. They see only the dangers in the world and not the opportunities.

But those who understand a free society have faith that we can use our knowledge for human advancement.

For the essential meaning of a free society is that free men, facing the practical realities of any situation, can choose the course that will provide for their common protection and advance their common welfare.

Our history shows that men working together through the democratic process can find the right solution to new problems.

The democratic process is not always easy. It involves us in great public debates. Emotions are aroused and feelings run high.

But when the shouting is ended and the decision is taken, the resulting choice rests

on the solid foundation of the common wisdom of the people. Dictators and tyrants, who thought our political debates indicated indecision and weakness, have found to their dismay that, instead, those debates are a source of wisdom and a sign of strength.

The ability of our democratic process to find proper solutions for difficult problems has been dramatically demonstrated again in the last 5 years in the field of foreign policy.

When the war ended, in 1945, the American people found themselves in a situation unique in their experience. By the circumstances of history, we became the strongest single nation on earth. Most of the other great nations of the world were prostrate. Our help and leadership were essential to assist them to recover, and their recovery was vital to our own security and prosperity.

Furthermore, it soon became clear that one nation did not want to help the world to recovery. Instead, that nation wished to prolong and intensify the misery of others, so that it could gain domination over them. The plain intent of that nation was to overthrow the tradition of freedom which is shared by our country and many others.

In this situation, the United States faced a clear choice, which was debated up and down our land. We could choose to abandon the rest of the free world and try to become strong enough all by ourselves to withstand Communist aggression. Or we could choose to work with other countries to build the combined strength necessary not only to withstand aggression, but also to achieve peace and human advancement.

You know the outcome of that debate. The overwhelming choice of the American people was—and is—against the dangerous futility of isolationism and for full cooperation with other nations toward peace and freedom.

We have backed that choice with deeds. Our strong support of the United Nations, our vital contribution to the European recovery program, our ratification of the North Atlantic Treaty, our military assistance to the common defense of free nations—these and many other actions are part of our strong, positive program to achieve a just and lasting peace.

Our program for peace and freedom is necessarily designed at present to build a strong community of free nations which can resist Communist aggression, whether that aggression takes the form of internal subversion and external attack. At the same time, our program for peace is designed ultimately to create conditions in which all men and all nations can work together in mutual trust and mutual benefit.

Our peace program is designed to bring the free nations together in common action. It is also designed to support the United Nations as the political basis for a world order among all nations.

Our peace program includes military security measures—through our own efforts and through the combined efforts of the free nations. Those military security measures are defensive only, and we look forward to the day when international forces under the United Nations will keep the peace of the entire world.

Finally, our peace program includes economic measures which will make it possible for people to be secure and lead fuller lives. These measures are necessary, at this time, to enable the free nations of the world to resist Communist imperialism. But our economic measures, as far as possible, are designed so that any nation which sincerely wishes to work for human betterment can join in them.

It is about these economic measures in our program for peace and freedom that I speak particularly today.

Since the war ended, we have embarked upon a new era of economic cooperation with friendly nations. As this work moves forward, we must appraise our progress from time to time and make new plans for the future. We can't stand still. No nation can stand still. It can only go forward or disintegrate, and we are not disintegrating.

You will recall the great purpose that inspired our aid to Europe under the Marshall plan. We sought to help the countries of Europe restore their war-shattered economies so that their people could once again enjoy a decent standard of living—so that they could protect themselves from totalitarian threats to their security. In short, the purpose of the Marshall plan was to enable the people of Europe to save their freedom and use their resources for peace. We have always regretted that the Communist leaders did not permit the peoples of Eastern Europe to participate in this recovery effort.

The results of the European recovery program in the participating countries have been most remarkable.

The nations of Western Europe, with the Marshall plan aid, are setting new records of production and approaching the restoration of prewar standards of living. Industrial production in Western Europe has increased 30 percent in the last 2 years. The diet of the people there has been restored almost to the prewar level.

Furthermore, the countries of Western Europe have been able to get their national finances on a sounder basis, and to obtain sufficient goods so that they could lift most of their rationing and price controls. They have reduced trade barriers and have increased trade among themselves by 50 percent in the last 2 years.

As a result, there has been a great revival of faith in freedom and hope for the future among the Western European countries. The numbers and the influence of Commu-

nists within their borders have been steadily receding. In the last 2 years, the Communists have received progressively fewer votes in every election held in the Marshall plan countries.

Today, every one of the Marshall plan countries is stronger and better able to resist communism and to work for peace than at any time since World War II ended.

In addition, our aid under the Marshall plan has indirectly strengthened many countries outside of Europe and has helped to restore the flow of international trade.

Despite the steady progress they have made, most of the nations of Western Europe are still not economically self-supporting. If we were to take away our assistance now, they would still be unable to pay for all the things they need to buy from us and from other countries. The result would be a sudden drop in the living standards, weakened defenses, and a greater opportunity for the Communists to move in.

That must not happen—it would be disastrous for Europe and for us too. Instead, we must keep on working to build the sound economic conditions without which there can be no security or progress for free men.

Our work for this purpose will be largely carried on for 2 more years under the Marshall plan. But our vital national interest in a healthy world economy will not end in 1952. It will be just as necessary then as it is today to have a secure economic foundation for world peace. This secure foundation requires not only a successful recovery from the devastations of war. It requires the kind of dynamic progress which proves that the way of freedom can satisfy the economic needs of man.

The economic well-being of other free nations around the world is important to our common effort for peace. It is also important to our own economic well-being.

Last year we exported goods worth \$12

billion—a large part of them to Europe. These exports consisted of wheat, cotton, and tobacco, dried fruits, machine tools, and textiles, and many, many other products of our farms and factories.

If our exports are to continue at a high level, other countries must have some means to pay for them. At the present time, other countries are selling far less to the United States than they are buying from the United States. Our imports last year were valued at \$7 billion—\$5 billion less than our exports.

Of the \$12 billion of our total exports, the sum of \$5 billion was made possible by the aid which we furnished under the Marshall plan and other foreign aid programs. These aid programs can be substantially reduced this year, and in later years, as the recovery and economic development of other nations progresses. Obviously, we do not want to continue our extraordinary financial assistance to other countries any longer than necessary. That is why we must look ahead to plan for the changes that will be necessary to assure a high level of normal trade and investment among nations as our aid programs are reduced.

Many of those changes can be expected to occur naturally.

As our own economy grows, we will naturally import more goods than we do now; this will add to our own standard of living without causing any substantial dislocation to our domestic producers. At the same time, increasing our imports will make more dollars available to other countries with which to buy our goods.

In addition to this, as economic and political conditions become more stable in other countries, we should plan to make larger investments abroad. This will be good business for us, and also will make more dollars available for purchases here by other countries.

We can also expect many more Americans to travel abroad in the years ahead, and the dollars they spend in other countries will be a considerable source of purchasing power of our goods here at home.

The Government is now undertaking to determine the extent to which we can count on such natural adjustments as these, and the extent and character of the other actions we should plan to take in order to achieve a sound and healthy flow of international trade and investment. This whole problem is being studied under the leadership of Mr. Gordon Gray. Later this year, I expect him to submit recommendations concerning the actions, both public and private, we should take toward this goal.

In this process, the advice of interested private citizens and groups will be actively sought. We shall need the wisest and most mature thought on this subject we can obtain, for world economic prosperity is vital to the success of our efforts for peace.

We know already some of the things we must do. We know, first of all, that we must continue to reduce our tariff and other import barriers in return for similar reductions by other countries. Furthermore, we must develop international principles for fair trade, such as those which would be established by the International Trade Organization, the charter of which is now before the Congress for approval, and has been there for quite some time. I hope they will act on it someday.

We also need what has become known as the point 4 program if we are to build a healthy world trade and investment. Under this program we will help to raise the standards of health, education, and production in the underdeveloped areas of the world. We need to do this in our own interest as well as in theirs.

Some people seem to think that if we help

the underdeveloped areas produce more, our sales abroad will be cut down. Those people just do not understand how such things work out.

When various parts of our own country, such as the Middle West and the Far West, were developed, there were a lot of people who thought that would be bad for the East. But it didn't work out that way. Instead, the development of our West meant more prosperity for our whole country, the East included. And the same thing will happen with the industrial and agricultural growth in the underdeveloped areas of Asia, Africa, and Latin America. As they grow in economic strength and prosperity, they will increase the economic strength and prosperity of the whole world.

Point 4 program is a constructive, creative enterprise, full of promise for a better future. We, in our country, can understand that sort of enterprise, for we are a strong, youthful Nation, with the enthusiasm and vigor that characterizes free men.

The world into which this college class is graduating today needs that sort of constructive, creative leadership in foreign economic affairs. I hope some members of this class will go into that field of endeavor.

If you do, you can be confident that you are working for peace. For the peace we seek is essentially a condition in which man's creative abilities can be exercised, freely and in cooperation with his fellows, toward a better world for us all.

You know that if we are to have that kind

of peace we must be willing to work hard and long for it. We must be willing to bear the temporary costs of defensive armaments as well as those of constructive economic development. But those costs of defense do not express our true purpose—we assume them so that we can achieve our true purpose, which is to work constructively for human advancement in a free society.

That purpose is worthy of your devoted efforts, and I am sure that you will make that effort. For the young and the free can look beyond the immediate difficulty to the promises of the future.

Oh, I wish it could be my privilege to be graduated here today with you. How I wish I could see the next 50 years. We are facing the greatest age in history. Some of you will see a world of untold and unimagined wonders. Read Alfred Tennyson's "Locksley Hall." He saw the future about a hundred years ago. How much greater a future you face only the greatest imagination can foresee. Face it with courage, with ideals, and high moral conviction, and God will reward you.

NOTE: The President spoke at 10:05 a.m. at the university stadium in Columbia, Mo. His opening words "Mr. President" referred to Dr. Frederick A. Middlebush, president of the University of Missouri.

Due to a rainstorm the ceremonies were shortened and the honorary degree recipients, including the President, were given their degrees at Jesse Hall, located on the campus of the university.

The address was carried on a nationwide broadcast.

For the President's remarks immediately following his address, see Item 160 [1].

160 Rear Platform and Other Informal Remarks in Missouri.

June 9, 1950

[1.] COLUMBIA, MISSOURI (Upon receiving an honorary degree at the University of Missouri, 11:05 a.m.)

President Middlebush and friends:

I appreciate the honor which has been conferred upon me more than I can tell you.

There is not much a man can say after a citation such as the one the doctor just read. I sincerely wish that I deserved every word of it and could qualify for what the citation says.

All I do is try, and there is only one ambition that I have—I never was an ambitious man, and am not now—but I do have one: and that is to attain peace in the world, a lasting peace that will be for the welfare of the whole world and all the people in that world.

The address which I delivered at the university this morning is one of a series on that theme and that subject. We have but one foreign policy—one foreign policy of the United States—and that is the support of the United Nations and the attainment of world peace on a lasting basis.

Thank you, gentlemen.

[2.] MEXICO, MISSOURI (Rear platform, 3:35 p.m.)

Mr. Mayor, Governor Smith, Senator Allison, and ladies and gentlemen:

This certainly is a treat. I did not anticipate that we would have the opportunity to stop on this nonpolitical trip to Columbia, but I am glad we found it possible to stop in this city.

This district has produced some very great men. You have a Congressman from this district, Clarence Cannon, who is the Chairman of the Appropriations Committee of the House of Representatives. He has the most powerful job in the Congress except the Chairmanship of the Ways and Means Committee. He passes on all the appropriations for the operation of the Government of the United States. He is an able, distinguished, and efficient Congressman, and I sincerely hope you will return him—and I believe you will.

In times past, you had another great Congressman from this district, Champ Clark, who was Speaker of the House of Representatives and almost became President of the United States. Champ Clark was a great advocate of education. He was anxious to see the young people of this country attain and obtain all of the things possible for them to obtain, which he himself found out as a teacher. His sympathies were always with education in this country.

Now, back in times past, it has been said that people were wasting money on education, that the country was going socialistic. You would think that that came out of the Chicago Tribune, today, but it didn't. That was published in 1830, when we were trying to get a free public school system for the children of this country.

Now, there is nobody in the country who wants the Federal Government to control the schools. Nobody wants that done. All we want to do is to be helpful in producing a school system that will meet the demands of our day.

I was in Columbia at the graduation exercises over there—some 2,000 students received diplomas today—becoming citizens to go to work in the economy of this great Nation of ours. I want to see this coming crop of young people—and a lot of you are here before me today—have access to the best educational facilities that they can possibly have. And I am trying to get the Federal Government interested in providing help for that purpose.

We would not have had a road in the United States, or an international highway, had it not been for the fact that we were willing to coordinate the highway systems of the United States under a road system. If we can build roads, why can't we build for the head as well as for the feet and wheels?

I think we can do it, and I am going to fight for it until we do get it done.

I want to say to you people here in Mexico that I have always felt at home here. I have been in this town many and many a time for various reasons. I have made four campaigns, two primary campaigns, and two regular campaigns for the Senate of the United States, and I never missed this city on a single occasion.

I like saddle horses—which we sometimes used—bluegrass seed, and firebrick. And it is nice to be back here again in the headquarters where all of those things are located.

I sincerely hope that it will be my privilege sometime to come back here, as I used to do in times past, when I won't cause so much commotion, and when I can see all my friends and shake hands with as many people as it is possible for me to do.

It is certainly grand of you to come out

here today. I have with me on the train the Governor of the great State of Missouri—a Democratic Governor, if you please. I have with me a candidate for United States Senator from Missouri—a Democratic candidate, if you please, who will represent Missouri as it ought to be represented in the Congress of the United States. And I hope—I sincerely hope—that you people will do your part towards seeing that Emery Allison comes to the Senate of the United States this fall in the November election.

Thank you very much for this wonderful demonstration, and this wonderful turnout.

NOTE: In the course of his remarks on June 9 the President referred to Dr. Frederick A. Middlebush, president of the University of Missouri, Herbert Morris, Acting Mayor of Mexico, Forrest Smith, Governor of Missouri, and Emery W. Allison, president pro tempore of the Missouri State Senate. For the President's commencement address see Item 159.

161 Informal Remarks in St. Louis in Connection With the 30th Reunion of the 35th Division Association. *June 10, 1950*

[1.] At the Battery D Breakfast (Crystal Room, Hotel Jefferson, 8:40 a.m.)

Well, as usual, it has been a most successful party. I am more than happy to see so many of you here this morning. I have understood that the model cabinet meeting was prepared in the Office of the Secretary of Defense.

I have seen a great many here today that I haven't seen for several years, and it is a pleasure to be able to recognize all of you—as usual. I don't think I had to be told who was behind a single face.

But the thing that pleases me most is that you are not living in the past, you don't come here to have anything but a good time and

association with your former comrades. Every single one of you is living for today, and making a contribution to the welfare of the country. You don't sit around and pound your cane on the floor and say "the old so-and-so," because you have other things to do.

Most of you have grandchildren, and I have been taking a poll up here, and it looks to me as if the descendants of Battery D will be able to create a division, should we have another disaster—which I hope we won't.

I hope you will continue to live in the present, continue to help this country go forward to its destiny, and continue to meet annually as you have today.

Thank you very much.

[2.] At the Executive Committee Meeting of Battery D (Gold Room, Hotel Jefferson, 10 a.m.)

Mr. President, distinguished guests, Governor Smith, Mayor Darst, members of the 35th Division:

I appreciate most highly those welcoming remarks of the mayor and the Governor. Since I have been President, it has been my privilege to attend four reunions of the 35th Division—one in Omaha, one in Kansas City, one in Little Rock, and now this one here in Missouri's metropolis. Every time I have been present I have had a most pleasant and enjoyable time.

It was my privilege, awhile ago, to discuss with the representative of our great friend and ally, His Excellency Ambassador Bonnet of France, the question of French veterans and how they spent their time on occasions like this.

He said the French soldiers are just exactly like American soldiers. They have organization reunions, they have division reunions, they have army reunions, they have banquets, and they have shows; and evidently they are exactly as we are.

I enjoyed immensely the entertainment last night, and was highly pleased that I could be present. I am here for the purpose of discussing some things in which we are all interested this afternoon. I am also here to see that a bunch of old stiffs, to which the Governor referred, get the proper amount of exercise today, before we get to the speechmaking.

If there is any fat colonel or general who thinks he is going to ride in this parade, he is just as mistaken as he can be. That just doesn't happen when I am President.

It was my privilege last year, in Little Rock, to see to it that the Secretary of De-

fense and the Governor of Arkansas walked just as far as I did.

If I can manage it today, I am going to see to it that the Secretary of Defense and the Governor of Missouri walk just as far as I do. I won't have to put a "hammer" on the mayor, because he is used to walking, anyway, as he was in the infantry in the First World War.

It has always been a pleasure to be here—had a wonderful breakfast this morning with that organization known as D Battery. They are behaving themselves. Not a single one of them looks to me as if he hadn't been to bed and slept all night just as he should. One thing, though, that may not be so well to bring to our attention, is the fact that that means that *anno Domini* is catching up with them. Ten years ago, that would not have been true.

It was my privilege to bring to their attention the fact that the thing that pleased me most about these organizations is that you are living in the present, you are citizens of the United States of America, the greatest Republic in the world, today. You are citizens who are doing your duty, today. You are not living in the past.

I hope you will never live in the past, because the problems and the things which we face now are greater than ever in the world. We must solve them, and in order to solve them we must have men of experience who are interested in the welfare of the world and the Nation.

I hope you will pay particular attention to what I have to say this afternoon, because it has a bearing on you as citizens of the world and of the United States.

I am going to enjoy myself the best I can. It is going to be necessary for me to go back upstairs and transact some business and do some work for the Government of the United

States—for which I am working, as you know.

And when I am gone, after I leave here, I am going to appoint the senior member of my family, and former commanding general of the 35th Division, Maj. Gen. Ralph E. Truman, to be my proxy and vote for me when I am gone. I am sure I can trust him, as he is against most of the things I am for, and of course he is for the things I am not for—so you see!

Thank you very much for this privilege. I am glad to be here. I hope when the places are designated for next year, that you will let me know about it.

[3.] At the World War Memorial (12:30 p.m.)

Mr. Mayor, Governor Smith, His Excellency the Ambassador of France, Secretary of Defense, distinguished guests and fellow soldiers—fellow members of the 35th Division:

It is indeed a privilege for me to be here today to help in this ceremony for those who lost their lives in the defense of this great Republic.

We should always honor their memory. In every struggle through which we have been—the Revolution, the War of 1812, the Mexican War, the War Between the States in 1861, the Spanish-American War, the First World and the Second World Wars—it has always been customary in this country to show its gratefulness to those who made the supreme sacrifice, and to those who were injured completely.

I hope we will always continue that sort of feeling. It is the young men of the Nation that make it strong. It is the young men of the Nation that we do not want to sacri-

fice in another struggle.

That is why we work continually for peace in the world. We cannot afford another world war, either economically or in the form of manpower. You know, the great empires and republics of the past have usually exhausted themselves by the slaughter of their young men in the struggles that were entirely unnecessary.

In order that we may meet the situation with which we are faced, we must have these wonderful young men willing and able to defend the country at any cost. But we who are in the control of the Government must spend every bit of our energies in an endeavor to see that they do not have to make that supreme sacrifice. That is what the President of the United States is endeavoring to do. That is why we support the United Nations. That is why we try to make agreements with those countries, who believe as we do, for the defense of the free nations of the world.

Eventually, my friends, the moral forces of the world will prevail over the unmoral forces. I am just as sure as I stand here that Almighty God, from whom we derive all our powers, will not let His law be upset by people who do not believe in any law.

I hope that we will continue to pay tribute to those who made the supreme sacrifice, and I hope that we will be able to say that we do not intend to add other young men, to whom we will have to pay tribute.

NOTE: In the course of his remarks on June 10 the President referred to John B. Cobb, president of the 35th Division Association, Forrest Smith, Governor of Missouri, Joseph M. Darst, Mayor of St. Louis, Henri Bonnet, French Ambassador to the United States, Maj. Gen. Ralph E. Truman, former commander of the 35th Division and a cousin of the President, and Louis Johnson, Secretary of Defense.

The 30th reunion of the 35th Division Association was held in St. Louis June 9–11, 1950.

162 Address in St. Louis at the Site of the Jefferson National
Expansion Memorial. June 10, 1950

Mr. Chairman, Governor Smith, Mayor Darst, His Excellency the Archbishop, members of the 35th Division, ladies and gentlemen:

This is indeed a great occasion.

I want to thank His Excellency, the Ambassador of France, for his invitation to me to visit his great country. Nothing, of course, would please me better. The President of the United States, it seems, must stay within his own borders at least until after the first Tuesday of next November.

I am happy to participate in the dedication of this historic site to the memory of Thomas Jefferson and the early pioneers and settlers of our westward expansion. The park which is to be created here will bear witness to our gratitude to Jefferson and the brave men who explored and settled the area of the Louisiana Purchase.

This park will commemorate a great act of statesmanship. When Jefferson purchased the Louisiana Territory, our country acquired a material basis for the kind of democratic society which Jefferson dreamed of. The abundant lands of the West made it possible for millions of families to settle on their own farms as freeholders and independent citizens.

This rural society of free men fixed the democratic character of our institutions. After this the country changed in many ways, and it was exposed to many dangers, but its democratic nature could never be shaken. The foes of democracy, whether they were the old Federalists, or the monopolists of a later period, or the adherents of new tyrannies and dictatorships, have not been able to prevail against it. And they never will.

We sometimes forget that we owe the Louisiana Purchase to Jefferson's wisdom

and experience in foreign affairs. Foreign policy was a matter of first importance in Jefferson's time, just as it is today. The United States in those days was a new nation, and weak by comparison with the great European empires. Its continued survival as an independent country depended upon its having the goodwill and friendship of other countries.

Today, our foreign policy is that of one of the strongest nations in the world. But the future welfare of our country still depends upon our foreign policy just as it did in Jefferson's time.

This is true not only because the world has shrunk in terms of space and time—it is also true because in our day totalitarian tyrannies have sprung up in the world. These tyrannies, whether of the left or of the right, have threatened free institutions and free governments everywhere.

In this situation, our country has been impelled by the principles of freedom for which we stand, and by the needs of our national security, to take a leading role in the search for a just and permanent peace among nations.

We have taken the position of leadership that President Wilson wanted us to take after the First World War. Our aim today is the same as his aim was then—to establish a peaceful world order in which disputes between nations can be adjusted without bloodshed, and the individual can be sure of justice and freedom in his daily life. The creation of such a world order requires an international organization of free and independent nations, cooperating voluntarily in the maintenance of peace. And it also requires collective action to prevent aggression.

We refused to assume our responsibilities as a nation after the First World War. But

by the end of the Second World War, we had learned our lesson.

Since that time, we have joined with other nations in the formation of a world organization to keep the peace. We have used our resources to aid the recovery of war-shattered economies. We have aided in carrying on international activities in economic, social, and cultural fields. We have helped to build a greater degree of international cooperation than the world has ever known before.

Our actions for peace have had the support of the American people without regard to political affiliation. Our foreign policy has been bipartisan, and I am confident that it will remain bipartisan.

The steps we have taken toward international cooperation offer real hope and opportunity to mankind. But they have not yet provided us with the assurance of permanent peace.

The reason is clear. In the 5 years that have passed since the end of the war, we have been confronted with a new, powerful imperialism. We had hoped that our wartime ally, the Soviet Union, would join in the efforts of the whole community of nations to build a peaceful world. Instead, the Soviet leaders have been an obstacle to peace.

By means of infiltration, subversion, propaganda, and indirect aggression the rulers of the Soviet Union have sought to extend the boundaries of their totalitarian control.

With a cynical disregard for the hopes of mankind, the leaders of the Soviet Union have talked democracy and have set up dictatorships. They have proclaimed national independence but imposed national slavery. They have preached peace but devoted their energies to fomenting aggression and preparing for war.

The result of these tactics has been to spur the free nations on to greater cooperation and more vigorous efforts for the improvement and the defense of their own institu-

tions. These efforts have been without parallel in history. Five years ago we would not have dreamed that such joint efforts as the European recovery program or the Atlantic defense program were possible in times of peace. Measures of even closer cooperation are now being planned and set up.

We have made good progress so far. Because of this progress, we are confident that we can establish the conditions necessary to a genuine world peace. We know that the free world has both the will and the means to insure its own survival. But I would like to emphasize the difference between confidence and complacency. We cannot be complacent. Our ultimate success depends on sustained further effort. We have joined with other nations in establishing a new and stronger kind of international association than we have known before. But there is a long road ahead.

There are, of course, some people who are urging us to pull out of these joint efforts to achieve a lasting peace for the world. They point to the difficulties we have already experienced and that long road that lies ahead. They want us to reverse our foreign policy, withdraw from our cooperation with other nations, and retire behind our own defenses.

These people are known as isolationists. They are dangerous not only to the cause of world peace, but also to our own national security.

The isolationists take an upside-down view of our affairs. They want us to stop giving aid to free nations that are able and willing to make good use of our help. They ask us to give up in the very places where we are succeeding. Isn't that a fantastic suggestion? They say that cooperation with friendly nations is too expensive—but they forget how much more expensive it would be to abandon our allies to the aggressor, and try to defend ourselves alone.

Peace costs too much, they say. But their

policy would permit free nations everywhere to be swallowed up one by one, and would leave the United States alone as the sole defender of freedom.

Isolationism is the road to war. Worse than that, isolationism is the road to defeat in war.

The people who are striving to destroy our foreign aid programs and our programs for the common defense of the free nations, are striking at our own national security. They may not mean to do us harm, but they are as dangerous to our future as those who deliberately plot against our freedom.

Most of the American people know this. Most of us have enlisted in the struggle for world peace "for the duration." We are not thinking of deserting.

What we want to know is what progress we are now making in the struggle for peace and what we have to do in the future to achieve our goals.

In looking at the current world situation, it is plain that the present policies and activities of the Soviet Government are not contributing to peace. The Soviet Government is refusing to participate in the work of the United Nations. Representatives of the free nations are being forced out of the satellite countries. Soviet leaders are turning the schoolchildren of Eastern Germany into the same kind of political robots that marched into hopeless battle for Hitler.

At home, the Soviet regime is maintaining the largest peacetime armed force in history, far greater than it needs for the defense of its own boundaries. The leaders of the Soviet Union, instead of using their resources to improve the well-being of their people, are devoting a massive share of those resources to the acquisition of further military strength.

We have tried to dissuade the Soviet leaders from this militaristic course, so unnecessary, so costly to their people and to ours,

so antagonistic to the pursuit of peace. After the war we demobilized the bulk of our Army, Navy, and Air Force. In the United Nations we put forward proposals to share with the world the development of atomic energy and to prevent the use of the atomic bomb. An unheard of proceeding by a great nation—absolutely unheard of in the history of the world. We urged general disarmament and the creation of United Nations forces. But despite all those peaceful efforts, Soviet armament has continued to increase.

These ominous activities of the Soviet Union, however, are being offset by the growing strength of the free world. The free nations are making steady progress in creating more satisfactory conditions of life for their people, and stronger defenses against aggression.

The strength of the free world is not to be calculated primarily in military terms. Economic, political, and moral strength are equally essential, because the challenge which confronts free nations is far more than a military challenge. Communism feeds on weaknesses of whatever kind. Wherever the free nations fail to meet human needs and aspirations, they are vulnerable. In this sense, the Soviet threat is a challenge to the free world to live up to the principles it professes.

The free nations are meeting this challenge with energy and vitality.

Over a great part of the world the work of recovery and peaceful development is quickening its pace.

Our faith in the recovery of Western Europe, expressed in the Marshall plan, has been justified many times over by the near-miracle of production we have been witnessing. We have seen dramatic evidence there of the will to work. We have also seen resolute expression of the will to be free, and to unite in common defense.

Last month, the Secretary of State went to Paris and London to meet with the representatives of our partner-nations in the North Atlantic Treaty. Those meetings demonstrated two significant facts: first, the nations of Western Europe have grown much stronger and much more confident during the past year. Second, the nations of the North Atlantic Treaty are rapidly forging an effective partnership for a great purpose—to preserve their freedom and improve the lives of their citizens.

The recent proposal of the Foreign Minister of France, Mr. Schuman, is evidence of the growing community of purpose among the free nations. He proposed that the coal and steel resources of Western Europe be pooled and utilized jointly for the benefit of all. This statesmanlike move, and the warm German response to it, are among the most encouraging developments in Europe since the end of the war. Meetings are being held now on the Schuman proposal and, if the details can be worked out, this plan will help to end the age-old rivalry between France and Germany and result in a far more peaceful and productive Europe.

In the sphere of defense, the decisions made at London give further evidence of the growing community of purpose of the North Atlantic Treaty countries. These countries are making plans to use their resources wisely so that military protection and social progress will both be maintained.

To this end, the treaty nations adopted the principle of creating balanced collective forces of the most modern and efficient type. This means that each country will contribute to the common defense of the North Atlantic area in accordance with a common plan, instead of trying to create a complete modern defense establishment for itself.

Such a balanced collective defense will be stronger and less costly than the old system of completely separate defense establish-

ments. It will make it possible to provide the necessary military protection without imposing an unmanageable burden upon the economies of the member countries. Countries, like the United States, which have responsibilities for maintaining peace and security outside the North Atlantic Treaty area, will, of course, continue to maintain whatever defense forces are needed to meet those responsibilities.

The conferences in Paris and London also dealt with the situation in southeast Asia. In that area, Communist agents are trying, under the cloak of nationalism, to destroy the independence of newly formed free nations.

The governments of these nations are resisting Communist encroachment and subversion to the best of their ability. We are now extending economic and military assistance to those countries to help them create the stability necessary to resist Communist pressure and to promote better conditions of life for their people. This aid to the countries of southeast Asia is designed to make it possible for them to work out their own destinies in cooperation with the other free peoples of the world.

The United States intends to do its part in supporting the decisions and implementing the plans developed at Paris and London.

The free nations of the world have all the elements of strength necessary to protect themselves from aggression. They are applying one of the clearest lessons of the two world wars—that peace-loving nations must be strong, determined, and united, if they are to preserve the peace. The resolute efforts being made by the United States, in concert with other free nations, enable us to face with confidence the hazards of the future.

We cannot be complacent, because the dangers we confront are many and serious. On the other hand, we must not become

hysterical. In all probability we shall be required to make substantial efforts for peace for many years to come. But our situation is strong, our strength is growing. We must remain cool, determined, and steady.

Above all, I wish to emphasize that the objective of our efforts is peace, not conflict. What we seek is not domination over any other nation or people, but simply the creation of a just international order, applicable to all nations. We believe that this aim can be achieved when all nations seek it in good faith. We look forward to the time when all international differences can be settled peacefully, and by negotiation, on the basis of these principles.

In the language of the Charter of the United Nations, we are determined "to save

succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind."

The people of the world look to the United States of America as the strong bulwark of freedom. To them—the people of the world—we pledge that we shall work side by side with other free nations in order that men the world over may live in freedom and in peace.

NOTE: The President spoke at 3 p.m. from a platform erected on the riverfront in St. Louis. In his opening words he referred to W. Stuart Symington, Chairman of the National Security Resources Board, Forrest Smith, Governor of Missouri, Joseph M. Darst, Mayor of St. Louis, and the Most Rev. Joseph E. Ritter, Archbishop of St. Louis. In the course of his remarks the President referred to Henri Bonnet, French Ambassador to the United States.

The address was broadcast nationally.

163 Remarks to the National Association of Radio Farm Directors. *June 12, 1950*

I AM glad to have you ladies and gentlemen here this morning. I think this is the third time I have met with you. I told you, I think, the last time, that I listen to that farm broadcast nearly every morning at 5:30, and that I enjoy it a great deal, and I still enjoy it a great deal.

You know, I have got a couple of nephews, and they have the reputation of being right good farmers. They were written up the other day in one of the metropolitan papers in Missouri, and also got their pictures in *Time* magazine standing by a gate. And somebody wanted to know if that gate was upside down.

Now, I don't know what that referred to, although there was something in the 1948 campaign about a couple of fellows and one of these swinging gates that was upside down in the picture. But that was all right—it didn't make any difference—didn't

cost anybody anything. Made me some votes—which was all right.

I hope you will continue to disseminate information that will be helpful and useful to the farmers.

The progress in farm organization and farm management has been just as great as it has been in our industrial organization and industrial management.

And that is a helpful thing for the country. We are no more worried about getting enough to eat. The only difficulty we have now is with the distribution system, and if we can get that distribution system organized on the same basis as the farm production system and the industrial production system, then most of our domestic problems will be solved.

All we are striving for is to have business and industry, and labor and the farmer on an equal basis, all getting their fair share of the

wealth of this great Nation.

We are now in the midst of an increase in that immense income, and we want to keep that increase on an even basis, so that the industrial production, and farm production, and the distribution of these two productions will be on a basis so that everybody can have a fair share, and at a price that we can afford to pay.

I think that is the objective of what you might name the Fair Deal program of the present administration.

I hope you have all enjoyed yourselves. I hope you have had a successful and constructive meeting. I am sure you have. The Secretary of Agriculture tells me he has had a very successful meeting with all of you.

I appreciate very much your being here.

NOTE: The President spoke at 12:15 p.m. on the White House lawn. The National Association of Radio Farm Directors held its annual meeting in Washington on June 12 and 13. The members were to confer with Secretary of Agriculture Charles F. Brannan and other Agriculture Department officials, and were scheduled to spend some time with the congressional agriculture committees.

164 White House Statement Announcing the Establishment of the Arkansas-White-Red River Basins Inter-Agency Committee.

June 14, 1950

THE PRESIDENT announced today that, in accordance with his recommendations, the Federal Inter-Agency Basin Committee has established an Arkansas-White-Red River Basins Inter-Agency Committee. The purpose of the new Committee is to facilitate the study and development of comprehensive integrated plans of improvement of water and related land resources of those basins as authorized in the 1950 Flood Control Act.

The newly formed Basin Inter-Agency Committee will consist of one field representative each from the Corps of Engineers, Department of the Army, the Department of Agriculture, the Department of the Interior, the Department of Commerce, the Federal

Power Commission, and the Federal Security Agency.

The Governors of Arkansas, Louisiana, Oklahoma, Texas, New Mexico, Colorado, Kansas, and Missouri, States lying wholly or in part in the Arkansas-White-Red Rivers drainage area, will be asked to participate in the regular meetings of the Basin Committee, to insure that local viewpoints on all problems shall be given the fullest consideration by the Federal agencies in the study and preparation of a single comprehensive report. Regular meetings of the Committee will be scheduled once each month at designated points within the basins.

165 Remarks at the U.S. Marine Corps Base, Quantico, Virginia. *June 15, 1950*

General Shepherd, General Cates, distinguished guests, members of the Marine Corps, and the Navy, and the Army, and the Air Force—we have unification now:

It is a very great pleasure for me to be here today. I notice that General Shepherd was

very careful to state that this was not the first time that a President had been to this post. On occasions, the present occupant of the White House has visited this post before breakfast, on some of his walks—not officially.

The demonstration which we have witnessed this morning was most interesting and educational, and shows an immense amount of the right sort of training. It also shows that tactics and technique are substantially the same, beginning with Alexander the Great and down to the present day. But the application of tactics and technique is varied by the sort and conditions of the weapons with which we are equipped.

It is a remarkable thing that the maneuvers this morning were exactly according to the best of the military commanders' tactics in all their great battles. It has been a hobby of mine to study maneuvers of the great commanders in history. And those maneuvers and tactics which we saw this morning are—if you will study them—the great battle maneuvers of the world; and there are some just as interesting as they can be—and they are substantially on the basis which you saw this morning.

The thing that was great about this morning's performance is the fact that the men who were acting for our instruction were men who had actually carried out maneuvers such as these in actual warfare; and you could tell that by the way they spoke, and the way they handled the situation. And that I like.

I make it a point whenever I can, whenever I see a man with a ribbon and a star of action on his chest, to stop if I have the time and discuss it with him and ask him where he got it and why he got it.

My experience has shown that most of the men who have earned those stars and battle ribbons would much rather not talk about them. Especially are they backward about talking about things of that sort to the President of the United States.

It has been my privilege, due to the fact that the greatest war we ever fought ended just as I became President of the United States, to award more Medals of Honor than

all the rest of the Presidents put together. And some of the things that I discussed with those young men who received those medals make chills run up and down your spine, and make you proud that you are a member of an organization such as the Marine Corps, the Navy, the Air Force, and the Army of the United States.

On one occasion, in the White House, among the first to appear before me for their medals was a nice-looking young boy, about 22 years old, with both legs off, in a wheelchair.

And as I put the medal around his neck, I said, "Young man, you have made a great sacrifice for your country."

And he said, "Mr. President, I didn't have but one life to give for my country. If the country needs it, it can still have it."

You can't beat that!

I had another young man, a Navy man, and he had been in the—what I have been used to calling the Medical Corps. That is not what you call it in the Navy, but that is what he did, anyway. He was a stretcher bearer on Okinawa—about which we were talking this morning—and he weighed, I guess, about 135 pounds, couldn't have been over 5 feet 6½ inches tall; and I found out that he was a conscientious objector.

And I said, "Young man, you are about the first conscientious objector I have ever met that I thought was a real one. How does it come that you got far enough up front to win the Congressional Medal of Honor?"

"Well," he said, "Mr. President, I didn't see any reason why I couldn't serve the Lord on the front just as well as anywhere else, so long as I didn't have to kill anybody."

And of course, that gave me a kick.

And another time, an infantryman it was, a great big old boy—he must have been 6 foot 3 or 4 inches tall, and weighed 220 pounds. He had been given the Congres-

sional Medal of Honor for capturing a village in France somewhere. He had captured that village and about 156 Germans, by throwing grenades into the cellars, and when he ran out of grenades he threw in rocks, and the Germans would come out and holler "Kamerad."

And as I put the medal around his neck, I said, "Young man, I don't want you to throw any rocks at me."

"Oh," he said, "Mr. President, I wouldn't do that!" And he was more scared then than he had been when he was doing that to those Germans.

I got off on a sidetrack.

I hope that the efficiency displayed here today, and in the other branches of the Armed Forces which I have witnessed at Eglin Field and Fort Benning, will continue indefinitely.

The proudest thing that I have to refer to is the fact that I had a little military service myself in the First World War. I am prouder of that than anything I have done since.

And I want you to understand that the welfare of this Nation depends upon its soldiers, who are citizens of the greatest Republic in the world. Those soldiers are citizens first, and they are only soldiers for the protection of the Republic. And that is what makes this country great.

I can't tell you how very much I have appreciated this privilege, how much pleasure I have had in being here, and how much I have enjoyed your hospitality.

Thank you very much.

NOTE: The President spoke at 1:40 p.m. at Harry Lee Hall in Quantico, Va. In his opening words he referred to Maj. Gen. Lemuel C. Shepherd, Jr., Commandant of the Quantico Schools, and Gen. Clifton B. Cates, Commandant of the Marine Corps.

166 Veto of Bill To Define the Application of the Federal Trade Commission Act and the Clayton Act to Certain Pricing Policies. *June 16, 1950*

To the Senate of the United States:

I am returning herewith, without my approval, S. 1008, a bill "To define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices".

It is the purpose of this bill to eliminate confusion and uncertainty under these Acts regarding the legality of freight absorption and the sale of goods at delivered prices. Further, the bill provides a definition of the extent to which "good faith" meeting of competition is a defense against a charge of illegal price discrimination.

It is obviously desirable for laws to be as clear as possible. After careful study, however, I am convinced that the bill would not achieve the clarification which is desired.

Instead, through the introduction of new and uncertain legal terminology, and through its confusing legislative history, the bill would obscure, rather than clarify, the law. As a result, it would make it more difficult for businessmen, administrative agencies, and the courts to understand and apply the legal safeguards against monopoly and unfair competition. Moreover, the bill contains provisions which might be interpreted, after protracted litigation, to impair the effectiveness of the antitrust laws.

Because of the increasing complexity of our economic system, the laws protecting fair competition have been amended from time to time, and the judicial decisions interpreting those laws have taken account of specific situations not anticipated by those who

drafted the laws originally. When further amendments of the antitrust laws are needed to meet new problems, they should be enacted in a form which clearly preserves the basic purpose of these laws—the protection of fair competition and the prevention of monopoly.

The sponsors of this bill intended to do exactly that. They were impressed by court decisions in recent years, which were said by some to mean that businessmen could not absorb freight costs or quote “delivered prices” in distant markets, in order to meet the prices offered by competitors. They drafted this bill in an effort to clarify that situation.

This bill, however, as it has finally emerged from the legislative process, is so far from clear that each of its major provisions is capable of widely conflicting interpretations. Members of Congress are usually in substantial agreement about the meaning of proposed legislation, even though they may differ widely about whether or not it is desirable. In debating this bill they have expressed substantial agreement about what is desirable and yet have differed widely about the bill’s meaning and effects. There is every reason to believe that if S. 1008 were to become law there would be as much uncertainty about its meaning in the business community and the administrative agencies of the Government as there has been in the Congress.

Section 1 of this bill is designed to make clear that it is not unlawful under the Federal Trade Commission Act for businessmen acting independently to absorb freight and to sell at delivered prices. The sponsors of the bill in the Senate interpreted section 1 as a mere declaration of existing law. On the other hand, the Committee on the Judiciary of the House of Representatives has interpreted certain provisions of this section in a manner which apparently would change

existing law. Still other members of both Houses of Congress interpret the bill as permitting the resumption of basing point practices recently found to be illegal.

Sections 2 and 3 are intended to clarify the meaning of the Clayton Act with respect to certain price discriminations, particularly those resulting from freight absorption and delivered pricing. In so doing, those sections undertake to define the extent to which the good faith of a seller in meeting a competitor’s price is a defense against a charge of illegal price discrimination. Supporters of the bill in both the Senate and the House have interpreted sections 2 and 3 as increasing a seller’s freedom to meet a competitor’s price in good faith—regardless of resulting injury to competition—by removing what they regard as undue restrictions in existing law. On the other hand, it has also been stated in support of the bill that these sections would have a contrary effect. Opponents of the bill in both Houses of Congress have said that these same sections would have the practical effect of nullifying the Robinson-Patman Act, with its protections against ruthless price discrimination.

In the light of these conflicting interpretations, many years of complex litigation would be required to give the provisions of S. 1008 clear and specific content. This is certain to be a slow and difficult process. Meanwhile, some individuals might be encouraged to resume practices which are now prohibited. During this period, doubt cast on the previous decisions of the courts would impair effective enforcement of the antitrust laws.

Even more serious is the risk that this bill would eventually be interpreted to reduce the protection afforded the public by the antitrust laws. These laws have been in effect a long time and have acquired specific content through interpretation by the courts. They provide safeguards against practices

which would tend to destroy our free competitive economy. The Sherman Act is directed against monopolies and conspiracies in restraint of trade. The Federal Trade Commission Act established an administrative agency with authority to prevent trade practices which, if not checked, would unduly suppress competition or tend to create monopoly. The Clayton Act, as amended by the Robinson-Patman Act, prohibits a number of specific, injurious trade practices. In particular, this law protects small enterprises against ruthless price discrimination.

Because the meaning of S. 1008 is so uncertain, no one can accurately foretell how its enactment would change the content of these laws. The bill might handicap the Federal Trade Commission in proving the existence of a conspiracy involving use of a delivered pricing system. The Commission and the courts now consider a great number of factors in determining whether there has been an unlawful conspiracy to fix prices in a particular case. Among these factors are the operation of freight absorption and basing point systems as they affect pricing and competition. The courts have frequently found these to be the means by which organized price fixing is accomplished. Yet it is quite possible that S. 1008 would be interpreted to create a preferred status for these practices, giving them immunity from consideration in conspiracy proceedings.

Furthermore, S. 1008 might jeopardize the Commission's ability to stop unfair discriminations. At the present time a principal test of unjustified price discrimination under the Clayton Act is whether the effect "may be" substantially to lessen competition. In a number of cases the courts have upheld the legislative intent of the original Clayton Act to make this test cover discriminations which have not yet reached the stage of actually suppressing competition but could reasonably

be expected to do so. S. 1008, however, provides that certain price discriminations are illegal if the effect on competition "would be" such that competition "will be" substantially reduced. In interpreting this new language the courts may feel compelled to require proof that damage to competition is already occurring, or will certainly follow, before discriminations can be stopped.

These are risks, not certainties. But there would be no justification for taking such risks unless the existing legal situation were so confused as to appreciably hamper business operations and there were no alternative methods for resolving these difficulties. At the present time, this is clearly not the case.

The issues this legislation is designed to resolve have been under intensive consideration by the Congress and the public for two years. During this period the relevant court decisions and administrative policies which gave rise to this bill have been thoroughly re-examined. In a recent decision by the United States Court of Appeals for the Fourth Circuit, considerable light was thrown on the legality of freight absorption under the Federal Trade Commission Act. In addition, the Commission has issued a number of statements designed to make clear its interpretations of the law. As a result, much of the earlier uncertainty has been eliminated. Thus it is quite clear that there is no bar to freight absorption or delivered prices as such. Still further clarification of the antitrust laws can be expected when decisions are reached in a number of cases now under consideration by the Federal Trade Commission and the courts.

The recent court decisions were effective in eliminating certain clear abuses of competition. The sponsors of this bill recognize the merit of these decisions. In none of these cases have legitimate competitive practices been prevented by the courts. More-

over, industries affected by these court decisions have demonstrated their ability to adjust to the law with respect to the absorption of freight and delivered pricing, as now interpreted, without apparent injury to themselves or to the economy.

I recognize that businessmen have been concerned lest they be penalized for perfectly sensible and appropriate competitive action. I believe their concern is unwarranted. If in the future there should be clear evidence to the contrary, the law should, of course, be changed.

On the basis of the present evidence, however, I am convinced that no such change is necessary, and that in attempting to affirm what is already true, the bill goes further and

would hamper, instead of help, the preservation of fair competition.

When reasonable and informed men arrive at such widely divergent interpretations of a piece of legislation as in this case, it is impossible to predict the direction which future court decisions would take. Even if all interpretations served to maintain full protection under our antitrust laws, the intervening period of uncertainty might jeopardize enforcement of these laws for a decade or more. But the fact is that these interpretations, when they came, might necessarily weaken the present laws. I am convinced, therefore, that the enactment of S. 1008 would not be in the public interest.

HARRY S. TRUMAN

167 Statement by the President Upon Signing Bill Amending the Displaced Persons Act. *June 16, 1950*

IT IS with very great pleasure that I have today signed H.R. 4567, which amends the Displaced Persons Act of 1948.

The improvements embodied in H.R. 4567 now bring the American principles of fair play and generosity to our displaced persons program.

When I reluctantly signed the Displaced Persons Act of 1948, I did so in spite of certain of its provisions which imposed unworkable restrictions and resulted in unfair discriminations. Nevertheless, I felt it was necessary to make a start toward a resettlement program for these victims of totalitarianism who yearned to live as useful citizens in a free country.

I had no doubt then, and I have been confident ever since, that when the will of the American people was truly expressed, these defects in the program would be corrected. This confidence has been fully justified.

H.R. 4567 corrects the discriminations inherent in the previous act. Now, the post-war victims of totalitarianism will be on an equal footing with earlier victims of Nazi aggression.

I am also glad that the new act wisely and generously extends opportunity for immigration to the United States to additional groups of deserving persons who should make fine citizens. Special provisions are made for 10,000 war orphans from the free countries of Europe and for 4,000 European refugees who fled to the Far East to escape one form of totalitarianism and must now flee before a new tyranny. Eighteen thousand honorably discharged veterans of the exiled Polish Army, who were given temporary homes in England after the war, will now have an opportunity to settle permanently in the United States. Ten thousand Greek refugees and 2,000 displaced persons now in Trieste and Italy will also have an

opportunity to immigrate to the United States. Provision has been made for the admission into this country of 54,744 refugees and expellees of German origin. In all, the amended law authorizes a total of 400,744 visas, including the 172,230 which have been issued up to May 31, 1950.

It is especially gratifying to me that this expression of American fairness and generosity has been brought about by the combined efforts of both political parties, supported by groups and organizations broadly representative of all parts of our country. H.R. 4567 is a splendid example of the way in which joint action can strengthen and unify our country.

The countrymen of these displaced persons have brought to us in the past the best of their labor, their hatred of tyranny, and their love of freedom. They have helped our country grow in strength and moral leadership. I have every confidence that the new Americans who will come to our coun-

try under the provisions of the present bill will also make a substantial contribution to our national well-being.

I have today also signed the Executive order required by law, designating the Displaced Persons Commission to carry out the investigations and make the reports required by the statute, regarding the character, history, and eligibility of displaced persons and persons of German ethnic origin seeking admission into the United States. In the discharge of this statutory duty, I am directing the Commission to continue its vigorous and effective protection of the security of the United States.

NOTE: As enacted, H.R. 4567 is Public Law 555, 81st Congress (64 Stat. 219).

The President referred to Executive Order 10131 "Providing for the Investigation of and Report on Displaced Persons and Persons of German Ethnic Origin Seeking Admission into the United States" (3 CFR, 1949-1953 Comp., p. 318).

For the statement by the President upon signing the Displaced Persons Act, see the 1948 volume, this series, Item 142.

168 Memorandum to Department and Agency Heads Requesting Their Cooperation With the Senate Special Crime Investigating Committee. *June 17, 1950*

To the Heads of All Executive Departments and Agencies:

The Senate Special Crime Investigating Committee has been established to study and investigate whether organized crime utilizes the facilities of interstate commerce or otherwise operates in interstate commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur. I strongly favor the objectives of the Committee and I am hopeful that its work will produce constructive recommendations and results.

It is my desire that the Executive branch

of the Government cooperate with the Committee to the fullest possible extent. I therefore request that all departments and agencies give Chairman Kefauver and his committee the fullest cooperation and assistance consistent with the orderly performance of the work and duties of the departments and agencies and subject only to jurisdictional and appropriation limitations.

HARRY S. TRUMAN

NOTE: On the same day the President signed Executive Order 10132 "Inspection of Income, Excess-Profits, Declared Value Excess-Profits, Capital Stock, Estate, and Gift Tax Returns by the Senate Special Committee to Investigate Organized Crime in Interstate Commerce" (3 CFR, 1949-1953 Comp., p. 319).

169 The President's News Conference of June 22, 1950

THE PRESIDENT. I have no special announcements to make. I will try to answer questions, though.

[1.] Q. Mr. President, I just wondered if you have any comment on Governor Lausche's indecision on the Senators' race in Ohio¹—

THE PRESIDENT. No, I have no comment on it.

Q. You haven't any comment as to how that affects the party in Ohio?

THE PRESIDENT. Oh, we'll elect a Democrat out there without a doubt.

Q. Mr. President, may I ask if you were voting in Ohio, how would you vote?

THE PRESIDENT. I would vote the straight Democratic ticket, as I always do.

Q. Mr. President, may I ask further, can you tell us anything about any plans you have to assist Mr. Ferguson?

THE PRESIDENT. I have made no plans politically as yet.

Q. Thank you.

[2.] Q. Mr. President, I wonder if Governors Thurmond and Wright turned down the invitation to that luncheon today, or whether they just were not invited?²

THE PRESIDENT. They were not invited. I only invited Democrats.

Q. Thank you, sir.

[Pause here]

THE PRESIDENT. Well, what's the matter? Are you out of questions?

¹ On June 19 Governor Frank J. Lausche of Ohio stated at the 42d annual Governors' conference at White Sulphur Springs, W. Va., that he had not decided whether he would support Joseph T. Ferguson, State Auditor of Ohio, a Democrat, or Republican Senator Robert A. Taft in the contest for Mr. Taft's position in the United States Senate.

² The President was scheduled to give a luncheon at the Mayflower Hotel in Washington at 1 p.m. that afternoon for 18 of the Democratic Governors attending the Governors' conference.

[3.] Q. Mr. President, on the tax bill, can you sign the tax bill that has been presented to the House?

THE PRESIDENT. The tax bill is not before me for comment or signature, and I can't comment on it or say what I will do on it until it comes up to me, because it is subject, of course, to changes between now and that time.

[4.] Q. Mr. President, one of the customers is asking if you could express any preference as between Alexander Campbell and Representative Jacobs for the Indiana senatorial—

THE PRESIDENT. I am not in the Indiana primary. I am in Missouri, however.

Q. Mr. President, are you still confident that you can place Mr. Martin Hutchinson in the Federal Government?³ Senator Byrd says he is making an all-out fight on him now?

THE PRESIDENT. I have no comment.

[5.] Q. Mr. President, on that Missouri primary, did you have a very good meeting out in St. Louis?

THE PRESIDENT. An excellent meeting. Also had an excellent meeting at Mexico and Columbia.

Q. Do you think Allison is going to win?⁴

THE PRESIDENT. No doubt about it. Your paper is against him, and that's a good sign that he'll win. I can prove that by history. [Laughter]

Q. Mr. President, do you intend to vote in person in the Missouri primary?

³ On March 6, 1950, Martin A. Hutchinson of Virginia was nominated to be a member of the Federal Trade Commission. The Senate rejected the nomination on August 9, 1950.

⁴ State Senator Emery W. Allison of Missouri, candidate for the position of Democratic nominee for the United States Senate, was defeated in the primary election on August 1 by Thomas C. Hennings, Jr.

THE PRESIDENT. Certainly I do. That is the duty of every citizen of the United States, to vote in the primary and in the election.

Q. Mr. President, do you expect to go out to Missouri, or can you vote by absentee ballot?

THE PRESIDENT. That depends on what the situation is here. If the Congress is on the point of adjourning and bills are piling up on me, I will vote by absentee ballot, if that is allowed in the primary, and I think it is now under present Missouri law.

[6.] Q. Mr. President, I have been hearing from Illinois that you are expected to speak twice in that State this fall. Is there anything jelled on that—

THE PRESIDENT. I have made no arrangements whatever for any appearances this fall. Those appearances will be arranged for the convenience of the local people and through the National Democratic Chairman, Mr. Boyle.

Q. No plans made?

THE PRESIDENT. No plans made as yet.

[7.] Q. Mr. President, some of the Democrats in Missouri are saying that they would like to have you come to St. Louis on the night of July 29th; that is the Saturday night before the primary race. Have you given any thought to that?

THE PRESIDENT. That's the first I have heard of it. I haven't been invited, as yet.

[8.] Q. Mr. President, you said you had not made any of your plans, but you do expect to do a lot of traveling before November?

THE PRESIDENT. Well, I hope so. I like that sort of traveling, particularly when it's nonpolitical. [*Laughter*]

[9.] Q. Mr. President, two or three of the European powers have hammered out a European payments plan. What do you think of its prospects of aiding European recovery and integration?

THE PRESIDENT. I think it is a great contribution to European recovery and integration. And I think Mr. Harriman and his assistant, and Mr. Hoffman and his assistant, Mr. Foster, and particularly the Foreign Minister of France, can be complimented on the efforts they have put forth to really make a program that will contribute greatly to the European recovery and defense program.⁵

[10.] Q. Mr. President, I forgot to ask if you intend to go into Illinois?

THE PRESIDENT. That depends on whether I am invited or not.

Q. You certainly will—that's what I understood.

THE PRESIDENT. I hope I will be able to go there.

[11.] Q. Mr. President, have you reached any decision on the proposed merger of the Pan American and Overseas Airways?

THE PRESIDENT. No. It has not come before me as yet.

[12.] Q. Mr. President, I understand the Senate Judiciary Committee is holding up about five judiciary nominations which you sent up in January. Is there anything that can be done to pry those nominations loose?

THE PRESIDENT. I would suggest that you get in touch with Senator McCarran. He is chairman of that committee.

[13.] Q. Mr. President, have you yet picked a deputy for the North Atlantic Pact Defense Council or Foreign Ministers Council?

THE PRESIDENT. Yes. I think that was announced. The State Department announced it yesterday, didn't they? Didn't State announce it?

⁵ The President referred to W. Averell Harriman, U.S. Special Representative in Europe for the Economic Cooperation Administration, Paul G. Hoffman, Administrator for Economic Cooperation, William C. Foster, Deputy Administrator for Economic Cooperation, and Robert Schuman, French Minister of Foreign Affairs.

Q. It was not announced.

Q. Spofford.

THE PRESIDENT. Well, it will be Spofford, I think. He is a good man and able to fill the job capably.⁶

[14.] Q. Mr. President, the Congress is working on a 70 group air force which you have at one time opposed. Are you still opposed to a 70 group air force?

THE PRESIDENT. I am opposed to an air force group for which we can't pay. We have given the Air Force all the groups for which the budget can meet the expense. That is the only situation with which we are faced. It doesn't make any difference how

many groups are authorized. It depends on how many groups the decision is made on—for how many groups we can pay. That's what it amounts to.

Q. Mr. President, can we pay for a 70 group air force now?

THE PRESIDENT. No, we cannot.

[15.] Q. Mr. President, I will ask one other question—I need one of those microphones—

THE PRESIDENT. There's one. [Laughter]

Q. Do you know whether Governor Lausche will be at the luncheon today?

THE PRESIDENT. Yes sir—he has accepted.

Q. Yes sir.

Reporter: Thank you, Mr. President.

⁶ Charles M. Spofford received Senate confirmation on July 13, 1950, for the post of United States Deputy Representative on the North Atlantic Council with the rank of Ambassador. See Item 195.

NOTE: President Truman's two hundred and twenty-eighth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:40 a.m. on Thursday, June 22, 1950.

170 Veto of Bill Relating to the Promotion of Veterans of World War II in the Field Service of the Post Office Department. June 23, 1950

To the House of Representatives:

I RETURN herewith, without my approval, H.R. 87, a bill relating to the promotion of veterans of World War II in the field service of the Post Office Department.

This bill, for purposes of promotion and salary, would grant veterans who first entered the postal field service after the conclusion of their services in the armed forces full credit for such military service during the war. Its benefits are limited to those who are in the postal field service on the date of enactment, or who shall enter such service after such date, but prior to July 1, 1950. They would receive pay increases of \$100—one pay grade—for each year of military service on a pro rata basis. Under section 2 also, any substitute postal employee who failed of promotion to regular employee

because he was in the military or naval forces of the United States during World War II shall, for the purposes of determining his postal salary, be held to have been promoted to such regular position as of the date of a vacancy to which he, as senior substitute, could have been promoted. I do not object to the provisions of section 2.

There are four basic weaknesses in the remaining provisions of this bill.

First, H.R. 87 is based on the bad principle of allowing credit for service in no way related to a civil career. It would thus violate the long established principle of granting promotions or increases in pay on the basis of satisfactory performance.

There is a big difference between the principle on which this bill is based and the principle, now recognized in law, of grant-

ing credit for military service to employees whose civilian careers were interrupted by wartime service in the armed forces. There is a good basis for presuming that civilian employees who are called into the armed forces and who performed creditable service in military jobs would have performed with equal merit if they had stayed on their civilian jobs. The records of their promotions since the war, both in the postal service and in other branches of the civil service, have demonstrated the soundness of the presumption under which they have gained credit.

By the same token there is also a sound basis for the granting of credit for service in the armed forces to those who were on registers of eligibles awaiting appointment to the postal service when they were called to duty in the armed forces. On the other hand, it cannot reasonably be presumed that the veterans to be benefited by this law intended to enter the postal service. They were not in the postal service before the war; they were not on lists of eligibles for appointment to the postal service; many of them by reason of age, lack of experience, or other work history, could not have obtained any eligibility until after completion of their military service. Therefore, I believe that to extend the benefits proposed in this measure to them would be tantamount to giving what might be called an indirect bonus or adjusted service payment in recognition of military service. This would be a far reaching step in an undesirable direction.

Second, H.R. 87 is discriminatory and would be detrimental to the efficiency of the postal service and of the Federal civil service at large. It is limited to a small fraction of the veterans in the employ of the Federal Government and to one group of employees in the Post Office Department. If permitted to become law, its consequences could be only discontent and a demand for similar treatment for other branches of the Federal

service. This fact becomes even more apparent when it is recognized that it would promote veterans over the heads of non-veterans of equal ability and capacity and that the veteran appointed on June 30, 1950, would obtain its benefits while a veteran appointed a day later would not.

Third, H.R. 87 cannot be defended even as a veterans' benefit bill. It provides a special benefit to a special group of veterans without reference to a real and distinctive need. There is no more effective way of undermining the soundness and integrity of a veteran's status than by the enactment of legislation which does not apply equally to all veterans similarly situated under that law. In the aggregate, fewer than 100,000 of the more than 15,000,000 World War II veterans—of whom about 900,000 are in Government service—would receive pay increases under this bill. Thus, I believe it is apparent that these pay increases cannot logically be related either to the program of the Federal Government for assisting disabled servicemen to overcome service handicaps or to the broader program of facilitating the readjustment of other ex-servicemen to productive civilian life. The benefits of those programs are available to the veterans affected by this measure. It is to be expected that they either have received or will receive such of the benefits as are applicable to their particular cases, including the important element of preference for appointment and retention to positions in the Federal civil service. That "veterans' preference" is important is demonstrated by the fact that veteran eligibles have replaced all but a handful of war service non-veterans appointed to the postal field service between October 23, 1943 (when competitive examinations for the postal field service were suspended) and the end of the war. To grant some of these veterans pay increases solely on the ground of prior military service would certainly be a pyramiding

of benefits which I feel cannot be justified.

Fourth, H.R. 87 would require large additional budget expenditures at a time when postal service throughout the nation is being curtailed in an effort to reduce a postal deficit which currently exceeds half a billion dollars a year. This bill would cost almost \$24 million in the fiscal year 1951 and would have a total cost of over \$163 million. My objection to the bill on this score is based partially upon the absence of any provision for increasing postal revenues to reduce the postal deficit.

Furthermore, I feel that this objection is reinforced by the fact that since 1945, very substantial pay increases have been given to postal employees. The legislation cannot be defended on the grounds that in the absence of a general pay adjustment, a pay increase for one group is warranted. This bill would

not help to maintain the integrity of the pay system in the postal field service. It would merely cause dislocations of a kind which are particularly bad, not only because of cost, but more important, because the bill would afford advancements beyond those already earned in a service which has relatively limited promotional opportunities. I believe that the comparatively small number of supervisory positions in the postal service should be reached in the normal manner and not by resort to a costly measure which would distort accepted relationships between work performance and salary.

For the foregoing reasons, I believe that the principal provisions of H.R. 87 are intrinsically without merit. I am, therefore, compelled to return it without my approval.

HARRY S. TRUMAN

171 Address in Baltimore at the Dedication of Friendship International Airport. June 24, 1950

Mr. Mayor, Governor Lane, Senator Tydings, Your Excellency, ladies and gentlemen:

I am very happy to participate in the dedication of this great airport.

I was also most pleased to initiate your great Mayor into his first flying lesson. I think he is going to like it. In fact, he has made me an offer for the *Independence*.

Friendship International Airport is the culmination of the vision, plans, and efforts of many people. It is the creation of men who look ahead and have faith in the future.

This great new airport is a symbol of what local government and the National Government can do when they plan together and work together for the improvement of the country. It is a great satisfaction to me that the Federal Government, through the Federal aid airport program, has been able to

assist local communities such as Baltimore to expand and improve their facilities for air transport.

Air transport is becoming more and more an essential part of our way of living and our national economy. A great industrial and commercial city like Baltimore will have increasingly greater need for facilities to handle a growing amount of air traffic. This airport will meet this need. It has been planned for the future.

There are always people who scoff at any farseeing plans for the future. Every internal improvement in this country's history has had its shortsighted opponents. There were people who scoffed at the building of railroads through the uninhabited areas of the West. There are people today who scoff at the building of dams and the creation of new hydroelectric power resources. But the

history of all these improvements is that they have increased economic opportunity and fostered the growth of the country.

And this, I am sure, will be the history of Friendship International Airport. This airport will aid the economic development of Baltimore. Its traffic will increase as the growing industries of Baltimore make use of it. This airport has been planned on the sound assumption that our economy will continue to grow and expand.

I believe that this assumption is correct. I am confident that our economy will continue to grow and expand. Of course, this will not happen automatically. Our economy will expand only if we plan for expansion. All of us make some plans for the future. Individuals, families, businesses, governments—all make economic plans. If we base these plans on the belief that our output will remain static, on the expectation that incomes will fall, or on the assumption that changes in the present situation will be injurious to existing interests—then we may expect the economy to decline and contract. If, on the other hand, we base our plans on the assumptions of increasing output, growing efficiency and higher real incomes, we can make continued economic progress.

In a growing economy there is need for all types of modern transportation. The aviation industry has had a long struggle to attain a proper place in the transportation system of the country. It has had to overcome not only foolish prejudices and fears, but the opposition of those who did not want its competition. However, if we had listened to the old mossbacks who complained about competition, we would never have given up the stagecoach. Some of these old stagecoach mossbacks are still with us—still in Congress, if you please. But thank God they are not in the majority. Competition between different kinds of trans-

portation is one of the things which goes to make our economy a vital and effective one. We must have and we will have in this country a modern and efficient air transport system to help meet our needs for rapid transportation.

In developing such a system, the Federal Government has a great part to play. Air transport is of concern to the Nation as a whole. It is a growing element in our interstate and foreign commerce. Like all our transportation systems, it is important to our national defense. Recognizing these facts, our Government has provided various kinds of aid in the development of our aviation industry, just as it has done from time to time for other types of transportation.

The grants-in-aid which have been made under the Federal aid airport program have done a great deal to give us the kind of air transport system we need. Federal assistance has stimulated State and local effort. As in all our grant-in-aid programs, local government has been strengthened and given new responsibility by virtue of the Federal interest.

Nothing is quite so misleading as the oft-repeated charge that the Federal Government today, by its various aid programs, is weakening or destroying State and local government. This is simply political oratory—I may say false political oratory. How false it is should be obvious to anyone who has followed the steps taken by local authorities in the creation of this airport, for example—or in the construction of roads, or low-cost public housing—or any other projects financed in part from Federal funds. In all these programs, the initiative must come from the local citizens; the planning must be done in the locality; State and local governments must adopt necessary laws and ordinances, set up necessary boards or commissions, and, in many cases, raise most of the

funds. By the time the project has been completed, the local government has acquired new strength and new assurance in meeting the problems of its community.

This kind of cooperation between State and local governments and the National Government is one of the most constructive aspects of our national life today. It is making people increasingly aware of their responsibilities as citizens of their communities. It is making them more conscious of the needs and problems of their local governments. It is helping to strengthen the processes of democracy throughout the country.

Such a development is of immeasurable importance today, when our country stands before the world as one of the leading champions of the democratic way of life. Our greatest strength in the conflict which shakes the world today is our ability to show that democracy can solve the problems of the people, and provide them with greater opportunities, and fuller lives. This airport is an example of democratic government in action. It demonstrates the way in which

we are using our traditional forms of government to solve the problems of the air age.

This airport exemplifies the spirit of growth and confidence with which our country faces the future. We would not build so elaborate a facility for our air commerce if we did not have faith in a peaceful future. This airport embodies our determination to develop the marvels of science and invention for peaceful purposes. It strengthens our economy to do its part in maintaining a peaceful world.

Now I dedicate this Friendship International Airport to the growth and development of our country.

I dedicate this great airport to the cause of peace in the world.

NOTE: The President spoke at 11:30 a.m. In his opening words he referred to Mayor Thomas D'Alessandro, Jr., of Baltimore, Governor William Preston Lane, Jr., of Maryland, Senator Millard E. Tydings of Maryland, and the Most Rev. Francis P. Keough, Archbishop of Baltimore.

At the conclusion of the dedication ceremony, the Presidential party boarded the *Independence* for a flight to Kansas City, Mo.

172 Statement by the President on the Violation of the 38th Parallel in Korea. June 26, 1950

I CONFERRED Sunday evening with the Secretaries of State and Defense, their senior advisers, and the Joint Chiefs of Staff about the situation in the Far East created by unprovoked aggression against the Republic of Korea.

The Government of the United States is pleased with the speed and determination with which the United Nations Security Council acted to order a withdrawal of the invading forces to positions north of the 38th parallel. In accordance with the resolution

of the Security Council, the United States will vigorously support the effort of the Council to terminate this serious breach of the peace.

Our concern over the lawless action taken by the forces from North Korea, and our sympathy and support for the people of Korea in this situation, are being demonstrated by the cooperative action of American personnel in Korea, as well as by steps taken to expedite and augment assistance of the type being furnished under the Mutual

Defense Assistance Program.

Those responsible for this act of aggression must realize how seriously the Government of the United States views such threats

to the peace of the world. Willful disregard of the obligation to keep the peace cannot be tolerated by nations that support the United Nations Charter.

173 Statement by the President on the Situation in Korea.

June 27, 1950

IN KOREA the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the 38th parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

Accordingly I have ordered the 7th Fleet to prevent any attack on Formosa. As a

corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The 7th Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

I have also directed that United States Forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the Associated States in Indochina and the dispatch of a military mission to provide close working relations with those forces.

I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.

I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.

174 Address at the Laying of the Cornerstone of the New U.S.
Courts Building for the District of Columbia. June 27, 1950

Mr. Chief Justice of the United States, Your Honor the Chairman, Honorable Judges of the Courts of the District of Columbia, ladies and gentlemen:

I appreciate the privilege of being here. Judge Laws, almost thou persuadest me to be a juror, if I can serve in this court.

We are meeting here today to lay the cornerstone of a new courthouse.

This building will house the United States Court of Appeals for the District of Columbia Circuit and the United States District Court for the District of Columbia. The increasing importance of these courts is indicated by the fact that they have long since outgrown the historic old buildings that served them so long. These courts hear cases which are not only important to the private parties concerned, but which involve issues vital to the welfare and growth of the Nation. Nowhere else, outside the Supreme Court of the United States, will so many legal questions of national magnitude be decided as in this building here before us.

It is fitting that these courts should have a building which is modern and suited to their needs. Our law courts play a key part in our national life, and their surroundings should be expressive of the respect which we have for them.

One of the most important duties of the President of the United States is to appoint Federal judges. I give that more thought, more care, and more deliberation than most any other thing I do in my duties as President of the United States.

The vitality of our courts is separate and apart from the buildings we create for them. The spirit and the meaning of our courts do not lie in the material settings we provide

for them, but in the living ideas which they enshrine.

To our forefathers, the courts were the distinctive symbol of the kind of government—the kind of society—which they were creating in the wilderness of this continent. This new Nation was to be a democracy based on the concept of the rule of law. It was to be a society in which every man had rights—inalienable rights—rights which were not based on creed, or rank, or economic power, but on equality. In such a society, the courts had the function not only of dealing out justice among citizens, but of preserving justice between the citizens and the State.

The founders of this country had a very clear conception of the corruptibility of power—of the innate danger in all human affairs of the selfish or arbitrary exercise of authority. To guard against this ever-present danger, they adopted the principle that there is a fundamental law—expressed in the Constitution, and particularly in the Bill of Rights—to which every exercise of power has to conform. The purpose of this fundamental law is to protect the rights of the individual. To apply this underlying law became the special task of the courts.

This concept of justice based on individual rights is so familiar to us that we take it for granted. Yet, in essence, it is a revolutionary concept. It has always been a threat to absolutism and tyranny. It was the great weapon of our own Revolution, and the basis of our Republic. Today, in a world where absolute power is again on the march, this concept of justice has a tremendous strength. It is a challenge to the new forms of tyranny as it was to the old.

In our lifetime, we have witnessed a worldwide attack on this ideal of justice. Fascism, nazism, Soviet communism, all have tried to convince people that our concern with individual human rights is false and fraudulent.

In the areas under their control, these totalitarian movements have swept away all restraints on their own power. They have subjected their own people to all the evils of tyranny—to kidnapping, torture, slavery, murder—without hope of redress or remedy. They have made a mockery of the forms of justice. Their judges are prosecutors, and their prosecutors are hangmen; their defense attorneys are puppets. Their trials are coldly calculated displays of propaganda, based on torture and designed to spread falsehood.

Wherever nations or peoples have been overcome by totalitarianism, the practice of justice has been snuffed out. But the ideal remains, deep in the hearts of men. Men will always long for protection against midnight arrest, the slave camp, the torture chamber. Men will never accept these things as right. Today, men feel more deeply than ever that all human beings have rights, and that it is the duty of the government to protect them.

Today we are participating in a great international movement for the better protection of individual rights. New methods of protecting and advancing human rights are being proposed and discussed. Across the world, men of good will are seeking new ways of making human rights triumphant over tyranny.

The first step was taken in the Charter of the United Nations. Weary of the crimes of the Axis tyrants, all the united nations pledged themselves, in the Charter, to promote universal respect for and observance of human rights and fundamental freedoms. The San Francisco conference ended with

the promise that there would be, in time, an international bill of rights, which would be as much a part of international life as our own Bill of Rights is a part of our life under the Constitution.

From this point many steps have been taken toward the creation of an international law and morality which will protect human rights against the misuse of arbitrary power.

By the judgment of the Nuremberg Tribunal, October 1, 1946, it was established that the highest officials of a government are answerable before the bar of international courts for committing war crimes, crimes against peace, and—in connection with either of these—crimes against humanity. This great principle was further confirmed by a resolution of the United Nations General Assembly of December 11, 1946.

International action is also being taken against the crime of genocide—the slaughter of entire human groups—whether committed in time of peace or in time of war. One of the most shocking examples of genocide was the Nazi attempt to exterminate an entire religious group deliberately and methodically. The General Assembly of the United Nations has denounced this terrible practice, and has affirmed that genocide is a crime under international law.

To prevent and punish the crime of genocide in the future, a multilateral convention on the subject has been prepared and approved by the General Assembly of the United Nations in December of 1948. The convention is now before the various members of the United Nations, as well as some nonmember nations, for ratification. Over half the ratifications necessary to bring the convention into force have already been deposited.

I have asked the Senate of the United States to give its advice and consent to the ratification of that convention. And I sin-

cerely hope they will ratify it. We must do our part to outlaw forever the mass murder of innocent peoples.

Another step toward the international protection of human rights was taken by the General Assembly of the United Nations in December 1948, when it proclaimed the Universal Declaration of Human Rights. Like our own Declaration of Independence, this document asserts that all members of the human family are endowed with certain inalienable rights. It enumerates and describes these fundamental rights and freedoms.

But the Declaration of Human Rights is only an appeal to the conscience of the world. It offers no means of redress when rights are violated. To meet this need, a multilateral convention is now in preparation. This is designed to make binding law out of a number of the guiding principles of the Declaration. It will be known as the Covenant on Human Rights.

The task of obtaining general agreement on such a Covenant in the face of existing differences in legal systems and of language barriers is, of course, an arduous one. I have faith, however, that the Covenant will ultimately be adopted, and also that it will be followed by other agreements to give effect to the principles enunciated in the Declaration of Human Rights.

Thus, bit by bit, new concepts of international law and justice are taking form. Through an international society of nations, the concept is developing that the barbarous treatment of individuals by any nation is the concern of all nations. This growth of international law is most important in building for peace.

It is a mistake to underestimate the significance of these developments. In our divided world, it is easy to point to the tremendous gulf between the concept of in-

dividual human rights and the attainment of conditions which will insure their enjoyment. It is easy to be discouraged by the difficulty of creating international safeguards against the infringement of these rights.

But we must remember that it is our belief that governments are created to serve human rights. We must understand clearly that our belief in human rights is shared today by peoples all over the world. We must have faith and vision sufficient to realize that this belief is the rock on which the peoples of the world can build a better and a peaceful future.

In its beginnings, this world movement toward protection of human rights may not appear particularly impressive. But the courts of the District of Columbia were not very impressive, either, when they were first set up 150 years ago. They were without buildings or physical equipment, and uncertain of their jurisdiction. These courts have grown strong, because they are based on a living truth. And so it will be with the quest for international protection of human rights. It, too, will succeed, because it is based upon the same great concept.

On us, as a Nation, rests the responsibility of taking a position of leadership in the struggle for human rights. We cannot turn aside from the task if we wish to remain true to the vision of our forefathers and the ideals that have made our history what it is.

Above the outward forms of our Government, above our laws and the Constitution itself, there is an eternal law of justice. This is the justice of a God who created mankind to live together in brotherly love. This is the justice by which all the deeds of men are judged. The fundamental purpose of our lives is to strive toward it, to the best of human ability.

As a Nation, we must devote ourselves to that struggle. And in the words of the

ancient Hebrew prophet, we should say, "Let judgment run down as waters, and righteousness as a mighty stream."

In no other way can the nations of the earth endure.

NOTE: The President spoke at 3:43 p.m. In his opening words he referred to Chief Justice of the United States Fred M. Vinson, Chief Judge Harold M. Stephens of the U.S. Court of Appeals for the District of Columbia, who was the chairman for the occasion, and Chief Judge Bolitha J. Laws of the U.S. District Court for the District of Columbia.

175 Exchange of Messages With Governor Dewey Concerning U.S. Action in Korea. *June 27, 1950*

I AM grateful for your message and hasten to assure you that I shall find strength and courage in your brave words. The whole-hearted pledge of support which you give will be a source of inspiration and fortitude as we gird ourselves for the difficult tasks ahead. We have taken our stand on the side of Korea and our pledge of faith to that nation is a witness to all the world that we champion liberty wherever the tyranny of communism is the aggressor.

HARRY S. TRUMAN

[Honorable Thomas E. Dewey, Governor of New York, Albany, New York]

NOTE: The text of Governor Dewey's telegram to the President, dated June 27, follows:

The President
The White House

I whole-heartedly agree with and support the difficult decision you have made today to extend American assistance to the Republic of Korea in combatting armed communist aggression. Your action there, in Formosa, the Philippines, and in Indochina was necessary to the security of our country and the free world. It should be supported by a united America.

THOMAS E. DEWEY

176 Remarks to Members of Reserve Officers Association. *June 28, 1950*

I APPRECIATE most highly the remarks of the Secretary of Defense. I think he gave the Commander in Chief a little more credit than he deserves, but then I like that, too.

You gentlemen represent one of the principal components of the authority of the United States in the world. One of the great things about our Government is that it is founded on the fact that the people are the government.

George Washington, in a message to the Congress, and in correspondence with some of his friends, made the statement that every man who lives under a government that is controlled by the people owes that government certain service. Not only does he owe that service in a military way, if it becomes

necessary, but he owes service to his government as a civilian, he should take a part in his city, county, and State government; and he should be willing, whenever necessary, to serve the United States Government in whatever capacity he is fitted to serve it.

It is difficult, these days, to get the right sort of men for the right places, due to the fact that they not only have to give up civilian income, which is in most cases much greater than you can get from Government, but they also have to stand and receive a certain amount of criticism and mudslinging which they do not deserve.

Back in 1920—about 30 years ago—it was my privilege to organize the first Reserve Officers Association in the United States. It

consisted of Army, Navy, Marine Corps, and Air. It was a unified Reserve Association.

When it became my duty as President of the United States to look into a defense program for the future, after the shooting in the Second World War had stopped, I made it my business to get in touch with every commander—every field commander that we had at that time—and we had some of the greatest ever produced. And I corresponded with those gentlemen, and nearly every one of them is on record as to what he thinks of a unified defense program. They were all for it.

We have succeeded in implementing a defense program. That is a unification of the services on the basis where rivalry doesn't cease, as esprit de corps is just as important as any other morale factor that makes up the Nation. It doesn't mean that there can't be rivalry between organizations under the same command, between the Army, Navy, and the Air Force as to who has the best men and who does the best job. But it means that when necessary there is complete cooperation between them, for the welfare of the country as a whole. That's all that unification means. And it has been implemented, I think, in such a manner that the morale of no single organization has been hurt.

Your organization is of vital importance to the welfare of the Nation. You are the men who, on your own time, try to keep yourselves informed on the latest of military subjects so that in case of emergency you can fill the places that would ordinarily be necessary in an emergency.

I am proud to be a Reserve officer. I

think General Bradley told me that I still have a commission as a colonel in the Reserve Corps. I am somewhat beyond the age of retirement, but I don't believe they are going to retire me, at least for 2½ years.

I hope you gentlemen will continue to attend your schools and keep yourselves up to date in matters military, and in matters civil.

Remember that the civil government is just as important for your welfare, and for the welfare of the Nation, as your education as military men. I hope that you will take time out maybe to read a short speech which I made yesterday on the laying of the cornerstone of the courts building here in the District of Columbia. I went into some detail on the rights of the individual under his Government. If you will study that, you will never become a man who thirsts for power, you will never become one who overrides the rights of the people to get into a position of power.

That is the most important thing in the Constitution of the United States, that the rights of the individual come first. I am imbued with that idea. I believe that this is a Government of and by and for the people, as Abraham Lincoln said. And as far as I can, as President of the United States, I am trying to implement that theory, not only in the United States but in the world at large.

Thank you very much.

NOTE: The President spoke at 10:25 a.m. at the Mayflower Hotel in Washington. In his opening words he referred to Louis Johnson, Secretary of Defense. Later he referred to Gen. Omar N. Bradley, Chairman of the Joint Chiefs of Staff.

177 Address Before the Annual Convention of the
American Newspaper Guild. *June 28, 1950*

MR. PRESIDENT, it is a pleasure to be with you today.

I was just explaining to your president out in the hall that I had a conversation with our former Ambassador at Large just a short time ago, and he was telling me what a contribution Mr. Martin has made to ECA, and I appreciate that.

It is a pleasure to meet with a group which plays so vital a part in upholding the American tradition of a free and responsible press. The men and women whom you represent perform a great function in gathering and disseminating the news of the world. Never has this function been so important to the general welfare as it is today.

When the Newspaper Guild was organized 17 years ago, its main purpose was to establish better economic standards for the working force of the American press. Over the years, the Guild has established such improved standards. Its efforts have greatly benefited many members of the newspaper profession.

One of the most important activities of the Guild and all our labor unions is to work with the free trade union movement of other countries. The AF of L, the CIO, the Railway Brotherhoods, and all our major unions have extended the hand of fellowship and friendly assistance to the free trade unions of the world.

Nothing is more vital to the cause of free institutions everywhere than this work of our labor unions. In many countries, working men and women have been the object of intensive propaganda and infiltration by the Communist movement. Our free trade unions better than anyone else can effectively demonstrate to these people that the Communists are not interested in their welfare,

but only in using them to further the imperialistic designs of an aggressive foreign power.

Our unions can best show the workers of other lands that the democratic way, not the Communist way, is the road to real economic advancement. Out of our own experience we know what can be done to improve the economic conditions of working people.

It is hard for us to realize just how bad economic conditions are for many peoples of the world. Famine, disease, and poverty are the scourge of vast areas of the globe. Hundreds of millions of people in Asia, for example, have a life expectancy of 30 years or less. That is what the country had when the people landed at Jamestown. Many of these people live on inadequate diets, unable to perform the tasks necessary to earn their daily bread. Animal plagues and plant pests carry away their crops and their livestock. Misuse of natural resources exposes their land to flood and drought.

Conditions such as these are the seedbed of political unrest and instability. They are a threat to the security and growth of free institutions everywhere. It is in areas where these conditions exist that communism makes its greatest inroads. The people of these areas are eagerly seeking better living conditions. The Communists are attempting to turn the honest dissatisfaction of these people with their present conditions into support for Communist efforts to dominate their nations.

In addition to these attempts at persuasion, the Communists in these countries use the weapon of fear. They constantly threaten internal violence and armed aggression.

The recent unprovoked invasion of the

Republic of Korea by Communist armies is an example of the danger to which the underdeveloped areas particularly are exposed.

It is essential that we do everything we can to prevent such aggression and to enforce the principles of the United Nations charter. We must and we shall give every possible assistance to people who are determined to maintain their independence. We must counteract the Communist weapon of fear.

But we must not be misled into thinking that our only task is to create defenses against aggression. Our whole purpose in creating a strong defense is to permit us to carry on the great constructive tasks of peace. Behind the shield of a strong defense, we must continue to work to bring about better living conditions in the free nations.

Particularly in the underdeveloped areas of the world, we must work cooperatively with local governments which are seeking to improve the welfare of their people. We must help them to help themselves. We must aid them to make progress in agriculture, in industry, in health, and in the education of their children. Such progress will increase their strength and their independence.

The growing strength of these countries is important to the defense of all free nations against Communist aggression. It is important to the economic progress of the free world. And these things are good for us as well as good for them.

For these reasons, I recommended in my inaugural address the program that has become known as "point 4." The Congress authorized technical assistance to underprivileged areas under this program. This new law marks congressional indorsement of a practical and sensible course of action that can have tremendous benefits for the future of the world.

It is possible to make tremendous im-

provements in underdeveloped areas by very simple and inexpensive means. Simple measures, such as the improvement of seed and animal stocks, the control of insects, the dissemination of health information, can make great changes almost overnight. This does not require vast expenditures. It requires only expert assistance offered to the people on a genuinely cooperative basis. We have already seen, on a relatively small scale, what can be accomplished.

I am going to give you a factual—in fact a reporter's—account of a few technical assistance projects which have raised living standards in the countries where they were carried out. These are a preview of what a full-scale 4-point program can mean in the future.

In northern India there is a very rich farming area known as the Terai district. In recent years, the malaria mosquito forced people to leave this land. One hundred and four villages were abandoned. Even in the face of India's tragic food shortage, no crops were planted in this rich soil.

India called on the World Health Organization for help, and that organization sent a malaria control team which arrived in northern India in April 1949. In the face of great difficulties, this international group sprayed the area with DDT.

Today, a year later, no infected mosquito is to be found in any village in the Terai district. Local workers have been trained to continue the spraying. Families who were refugees from malaria only a year ago are back in their homes, and their fields are green again.

This demonstrates how a simple program can make tremendous improvements in a short time.

Let me give you another example of what point 4 can mean; this one in Iran. This story concerns not an international organiza-

tion, but one of our American voluntary groups, the Near East Foundation.

Four years ago the Government of Iran asked the Foundation to set up a demonstration project in a group of 35 villages not far from the capital at Tehran. The Foundation brought village leaders to a series of training courses. It won their confidence, and through these leaders it began to carry out agricultural and health improvements. The Foundation met a water shortage by drilling deep wells. It overcame water-borne diseases with an inexpensive water filter. It sprayed homes with DDT. It sprayed crops with insecticides. It helped to organize schools in each of the 35 villages.

Today, only 4 years later, the village people are at work in new carpentry shops, vegetable gardens, and orchards. And, most startling of all, the yield of grain in this area has tripled.

The effects of the Near East Foundation's work are spreading throughout Iran. This story will be matched many times over, under the point 4 program.

My next illustration is in the Republic of Liberia on the west coast of Africa. Here a United States Government economic mission has been working since 1944—headed, incidentally, by a former agricultural extension agent from Missouri. One of the Missouri gang you hear so much about. This mission in Liberia has laid out roads, and mapped the timber supply, and helped to open up an iron deposit. Agricultural technicians have helped to expand rice production for the local market, and the production of palm oil and cocoa for export.

The effect of these steps has been remarkable. In one village near Monrovia, the cash income of the people, derived from selling rice, cocoa, and palm oil, has increased from \$5 per person a year to \$35, since the arrival of our economic mission.

Our mission—which has only five Americans in it—has worked in close cooperation with the Liberian Government. That Government already has built three new agricultural experiment stations. This is remarkable progress but it is only the beginning of the economic development which Liberia needs to become a prosperous member of the family of nations.

These achievements I have cited are samples of the kind of work that needs so badly to be done in underdeveloped areas all over the world.

Under the expanded point 4 program, we can greatly enlarge the scope of these activities. There are tremendous opportunities to improve living standards for wide areas of the globe. It may prove altogether possible, for example, through the activities of the Food and Agriculture Organization, to wipe out the scourge of rinderpest, the fatal animal disease that is responsible for so much of the rural poverty in the Far East. The development of hybrid rice seed, which the Food and Agriculture Organization is now working on, could conceivably increase rice production by 10 percent, and improve the health and living conditions in the Orient immeasurably. As an example of what hybrid seed can do, our corn hybrids, where they have been used in Italy, have increased corn production by over 25 percent.

Aside from these basic improvements in agriculture and health, it is equally important, in many areas, to build modern communication and transportation systems, and to establish local industries. Without these, the underdeveloped areas cannot put their natural resources to use for their own benefit and in profitable trade with the rest of the world. Building roads, and railroads, and factories will require considerable amounts of public and private capital. To aid the flow of American capital abroad, I have rec-

commended that the Congress provide for limited guarantees to encourage greater investments overseas. I am hopeful that this legislation will be enacted soon.

Point 4 is not now—and should not become—a matter for partisan differences of opinion. However, some critics have attempted to ridicule point 4 as a “do-good” measure; others have said it is a waste of money. This is the most foolish kind of shortsightedness. If we fail to carry out a vigorous point 4 program we run the risk of losing to communism, by default, hundreds of millions of people who now look to us for help in their struggle against hunger and despair.

What we want to do is to teach these people how to help themselves. Point 4 is a successor to the old colonialism idea, the exploiting idea of the middle 17th, 18th, and 19th centuries. We want to have a prosperous world that will be interested in buying the immense amount of surplus things that we are going to have for sale. In order to do that, they have got to have something to give back to us, in order that they can buy our goods. I want to keep this factory organization of ours going at full tilt, and in order to do that, we must help these people to help themselves.

Point 4 is an investment in a peaceful and prosperous world. It is a program which will bring increasing results over the years. It will bring about a chain reaction in economic development. It will serve to create economic health where poverty existed, and to equip the people of underdeveloped areas to carry forward their economic gains and preserve their independence.

A major share of this world campaign to improve the livelihood of peoples will be carried out under the United Nations.

In the United Nations Charter, each member government pledged that it would pro-

mote solutions of international economic, social, health, and related problems.

At its last session, the General Assembly voted unanimously to support a technical assistance program for raising the standard of living in underdeveloped areas.

Two weeks ago the United Nations conducted a Technical Assistance Conference to make plans and to raise funds for this new program. Fifty-four nations attended and 50 of them offered contributions.

By the end of the Conference, more than \$20 million had been pledged. The United States pledged \$12 million, subject, of course, to appropriation of the necessary funds by the Congress. This was the largest single contribution, but in relation to their resources a number of other nations contributed more.

The outstanding characteristic of this Technical Assistance Conference is the fact that it demonstrates clearly the common desire of the peoples of the world to work together for human advancement. In a world dark with apprehension, the point 4 idea offers new hope.

All our citizens must play a part in making the point 4 program a success. Our missionary groups, our philanthropic and charitable agencies must continue the efforts they have been making over the years for the improvement of conditions in foreign lands. Our young people can find careers in the pioneering work of bringing technical assistance to these countries. Our unions and our business organizations should enlarge their foreign contacts and bring the benefits of their experience to less developed countries. You newspaper men and women can help point 4 to achieve its aims by telling its story to the American people and to the people of the world.

Our point 4 program and the work of the United Nations are constructive ways to

build the kind of world where all nations can live in peaceful prosperity, dedicated to the purpose of creating better lives for their people. We support this program because we seek a peaceful world, and a free world, where all men can live as good neighbors.

NOTE: The President spoke at 4:30 p.m. at the Statler Hotel in Washington. In his opening words he referred to Harry Martin, president of the American Newspaper Guild. The Guild, an affiliate of the Congress of Industrial Organizations, held its 17th annual convention in Washington June 26 through June 30.

The address was recorded and broadcast later that day.

178 Remarks to the Washington Student Citizenship Seminar.

June 28, 1950

THANK YOU very much.

It is a pleasure to have you in this afternoon. I hope you are getting some practical ideas on what your Government is like, and what it is supposed to do.

Government is an intangible thing. It is what we make it. It is supposed to be a service organization for the benefit of all the people, and I hope you will find that that is substantially what we try to do here in Washington.

You will all, I know, get the definition of a bureaucrat, and maybe you will turn out

to be a bureaucrat, some day—can't tell.

You might define a bureaucrat as a man or woman who works for the Government in a job that somebody else wants.

I hope you have gotten some constructive information and that you will go home and put in your time trying to make yourselves better citizens of this great Government of ours.

Thank you very much.

NOTE: The President spoke at 4 p.m. in the Rose Garden at the White House.

179 The President's News Conference of

June 29, 1950

THE PRESIDENT. [1.] I have an announcement to make.

We have appointed an economic survey mission to go to the Philippines as soon as it can make the arrangements.

It is headed by the Honorable Daniel W. Bell, president of the American Security and Trust Co. of Washington and former Under Secretary of the Treasury; and by Gen. Richard J. Marshall, president of the Virginia Military Institute.

And as soon as the appointment of the mission is completed, why they will leave for the Philippines as promptly as possible.

This mission was appointed at the request of the Philippine President. He made that request of me when he was here on his visit.

And we have had some difficulty in finding the people to head the mission, and in ironing out some differences between the various departments of the Government. Everything has been ironed out now, and that mission will go to work.

That's all the announcements I have to make.

[2.] Q. Mr. President, just to set the record straight, is there or has there been any differences among members of your

Cabinet on your policy statement of Tuesday¹ regarding the—

THE PRESIDENT. Never was any differences. Never has been.

[3.] Q. Mr. President, did you have a call from the Ambassador of Australia this afternoon?

THE PRESIDENT. No, I did not.

[4.] Q. Mr. President, I have been requested to ask you this question. Was there on the high seas, at the time that South Korea was attacked, was there a shipment of heavy artillery and antitank weapons on its way to the South Korean Government?

THE PRESIDENT. Can't answer that question, for I don't know.

I intended to tell you that there will be a statement on this Philippine situation which will be handed to you when you go out.²

I can't answer your question, because I don't know.

[5.] Q. Mr. President, since issuing your statement, have you had any indication as to the effect that it may have on peace?

THE PRESIDENT. My idea in issuing the statement and the orders preliminary to the issuance of the statement was that it is a move in favor of peace. If I hadn't thought that, I would have taken other steps.

Q. Have you, sir—have you had any indication as to whether it is being universally accepted as that?

THE PRESIDENT. Well, only that most of the members of the United Nations are in full accord with what we are doing.

Q. Mr. President, everybody is asking in this country, are we or are we not at war?

THE PRESIDENT. We are not at war.

Q. Mr. President, another question that is being asked is, are we going to use ground troops in Korea?

THE PRESIDENT. No comment on that.

Q. Mr. President, in that connection it has been asked whether there might be any possibility of having to use the atomic bomb?

THE PRESIDENT. No comment.

[6.] Q. Mr. President, the Alaska and Hawaii statehood bills are being filed in the Senate this afternoon. Do you think that there will be time for the Senate to act on those bills at this session?

THE PRESIDENT. Why not? It wouldn't take 10 minutes to do what they have got to do and vote yes and no.

Q. Do you expect to use your good offices—

THE PRESIDENT. Certainly do.

Q. —to act strongly for the admission of those two states? Thank you.

[7.] Q. Mr. President, have you had any report on Russian reaction through any official channels?

THE PRESIDENT. No, I have not.

[8.] Q. Mr. President, James Roosevelt had a press conference this morning. Can you tell us whether you support him as strongly as he indicated?

THE PRESIDENT. Yes, I am. I want to see a Democrat Governor in California, and I told him I hoped he would be elected, and that I would do anything I could to help him get elected.

[9.] Q. Another question, Mr. President. Are you going to call in Ed Pauley on this Korean situation?

THE PRESIDENT. Ask that question again. I didn't hear you.

Q. Are you going to call in Ed Pauley on this Korean situation as an adviser—

THE PRESIDENT. I haven't talked to Mr. Pauley, if that is what you asked me.

[10.] Q. Mr. President, the Joint Atomic Energy Committee this morning pulled a sleeper and voted not to approve the nomination of Mr. Sumner Pike, who is acting as Chairman of the Atomic Energy Com-

¹ See Item 173.

² See Item 180.

mission. I wonder whether you would comment on that, sir?

THE PRESIDENT. I can't understand it, because Mr. Pike has been one of the ablest members of that Commission, and one of its most faithful members. I think the Atomic Energy Committee should take another look at it, and another vote.

[11.] Q. Mr. President, could you elaborate on this statement that—I believe the direct quote was, “We are not at war.” And could we use that quote in quotes?

THE PRESIDENT. Yes, I will allow you to use that. We are not at war.

Q. Could you elaborate sir, a little more on the reason for this move, and the peace angle on it?

THE PRESIDENT. The Republic of Korea was set up with the United Nations help. It is a recognized government by the members of the United Nations. It was unlawfully attacked by a bunch of bandits which are neighbors of North Korea. The United Nations Security Council held a meeting and passed on the situation and asked the members to go to the relief of the Korean Republic.

And the members of the United Nations are going to the relief of the Korean Republic to suppress a bandit raid on the Republic of Korea.

Q. Mr. President, would it be correct, against your explanation, to call this a police action under the United Nations?

THE PRESIDENT. Yes. That is exactly what it amounts to.

[12.] Q. Mr. President, in a speech in the Senate yesterday, Senator Taft suggested that Mr. Acheson ought to resign.³ Would you comment on that, please?

³ The text of Senator Robert A. Taft's remarks is printed in the Congressional Record (vol. 96, p. 9319).

THE PRESIDENT. I think that the political statement of Mr. Taft at this time is entirely uncalled for.

Q. Can we put that in quotes?

THE PRESIDENT. Yes.

Q. Mr. President, that quote was, “I think the political statement of Mr. Taft at this time is entirely uncalled for”?

THE PRESIDENT. Uncalled for. That is correct.

Q. Mr. President, Senator Taft also said that you have reversed Secretary Acheson.

THE PRESIDENT. Not a word of truth in that, and you can put that in quotes, too. [Laughter] Ask the question again, and I will give you the answer.

Q. Senator Taft also said that you had reversed Secretary Acheson. Would you comment on that, sir?

THE PRESIDENT. I say there isn't a word of truth in that. [More laughter]

[13.] Q. Mr. President, were you disappointed in the results of the North Carolina senatorial race?

THE PRESIDENT. I was very friendly to Doctor Graham.⁴

Q. Mr. President, if you were in North Carolina, would you vote the straight Democratic ticket?

THE PRESIDENT. Surely I would. I would vote the Democratic ticket no matter where I should happen to be.

[14.] Q. Mr. President, the Export-Import Bank Directors called on you last week about the Mexican loan. Is there anything you could comment on that?

THE PRESIDENT. No comment. They discussed several things besides the Mexican loan, and I have no comment on the visit. It was a friendly visit, at my request.

⁴ On June 24 Willis Smith defeated Senator Frank P. Graham in a special primary election for North Carolina's Democratic senatorial nomination.

Which Tony had the floor? ⁵ [Laughter]

Q. I miss so many questions. I am getting old—I didn't catch them all. I get all your answers.

THE PRESIDENT. The question was what was the cause of the visit of the Export-Import Bank Directors to the President, and was the Mexican loan discussed. A great many subjects were discussed. It was a friendly visit by the Directors on the President, at his request. No pressure was being put on them for anything.

[15.] Q. Mr. President, when you referred to police action, do I understand you mean United Nations police action?

THE PRESIDENT. I beg your pardon?

Q. When you refer to police action on behalf of Korea, you mean United Nations—

THE PRESIDENT. That is correct. That is correct.

Q. Mr. President, a minute ago you said South Korea was attacked by a bunch of bandits, then made this reference to them being neighbors. Do I understand you told us neighbors *of* Korea, or neighbors *in* Korea?

THE PRESIDENT. They are neighbors of South Korea.

[16.] Q. Do you have any comment on India's decision to support the United Nations?

THE PRESIDENT. I am very happy, of course. I was sure that India would do that.

[17.] Q. Mr. President, since you have been so very gracious with some of the other direct quotes, may we quote "bandits" directly, too?

THE PRESIDENT. Yes.

[18.] Q. The Argentine Chamber of

Deputies overwhelmingly voted approval of ratification of the hemispheric defense treaty adopted at Rio de Janeiro. Would you comment on that?

THE PRESIDENT. I am very happy about that. I knew about it yesterday, and I am very happy that it took place.

[19.] Q. Mr. President, as a result of the action in Korea, are we apt to expedite the Japanese peace treaty?

THE PRESIDENT. I can't comment on that.

Q. Mr. President, in view of the pressed conditions in the situation in Korea, do you now feel that it is necessary to increase the speed with which we are ordering munitions—

THE PRESIDENT. I can't comment on that.

[20.] Q. Mr. President, any comment on the fact that the Russians are cutting off power in West Berlin?

THE PRESIDENT. No comment. I have not been officially notified of it. I heard about it, but I have not been officially notified of it.

[21.] Q. Mr. President, in spite of the apparent reverses in South Korea, do you have any doubt that we will enable South Korea to remain an independent republic?

THE PRESIDENT. Sure—that's what the program is for.

[22.] Q. Mr. President, the Council of Organization of American States yesterday adopted a resolution reasserting the solidarity of the American Republics. Has that come to your attention, and do you wish to comment?

THE PRESIDENT. That has not come to my attention, but I am glad they did that.

[23.] Q. Mr. President, the Senate Appropriations Committee has just cut off another quarter of a billion dollars from the Marshall plan bills. Any comment about that?

THE PRESIDENT. I don't believe that bill is

⁵ Ernest B. (Tony) Vaccaro of the Associated Press responded. Anthony H. Leviero of the New York Times was also present.

ready for comment yet. When it comes to me, then I will comment on it.

[24.] Q. Mr. President, just to clear the record, Mr. Bourgholtzer ⁶ asked you if you had a doubt, and you said certainly—

THE PRESIDENT. Certainly—certainly not.

Q. No doubt—

THE PRESIDENT. Tony,⁷ you're getting so you can't hear. [*Laughter*]

Q. Tony was right. That's what you said, Mr. President.

Q. I believe you said surely, sir. You didn't say certainly, you said sure.

THE PRESIDENT. There is no doubt that the program will be to maintain the Korean Republic. The Republic of Korea I think is the proper name.

[25.] Q. Mr. President, you had a conference with Stuart Symington.⁸ Does that mean that the NSRB program will be speeded up?

⁶ Frank Bourgholtzer of the National Broadcasting Company.

⁷ Ernest B. Vaccaro of the Associated Press.

⁸ W. Stuart Symington, Chairman of the National Security Resources Board.

THE PRESIDENT. Well, it has been speeded up all the time. It will be carried on in the same expeditious manner in which it has always been carried on.

Q. Did the Korean thing have anything—

THE PRESIDENT. What's that?

Q. Did the Korean—

THE PRESIDENT. Not a thing in the world. Symington has a session with me twice a week, for 30 minutes each time, as did Doctor Steelman when he was running the same organization.

[26.] Q. Mr. President, your "no comment" on the atomic bomb might be subject to misinterpretation. Has there been any change—

THE PRESIDENT. No comment will be made on any matter of strategy. I don't expect to comment on any matter of strategy.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and twenty-ninth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, June 29, 1950.

180 Statement by the President Announcing an Economic Survey Mission to the Philippines. *June 29, 1950*

THE United States Government, at the request of President Elpidio Quirino, is sending an American Economic Survey Mission to Manila to study and report on the present pressing economic problems of the Philippines. When President Quirino was in Washington last February, he discussed with me some of the difficulties which face his country. The idea of this mission has developed out of these discussions and subsequent ones in Manila between President Quirino and Ambassador Cowen.

The purpose of this Mission will be to

survey the entire Philippine economic situation, to make recommendations on measures of self-help which might be undertaken by the Philippine Government itself, and to make recommendations on ways in which the United States might be helpful. President Quirino has assured me that this Mission will receive the fullest cooperation of the Philippine Government.

The Honorable Daniel W. Bell, President of the American Security and Trust Company of Washington, and formerly Under Secretary of the Treasury, has accepted the

important position of Chief of the Mission. He will be my personal representative, with the personal rank of Ambassador, and will report directly to me. The Deputy Chief of the Mission will be Major General Richard J. Marshall, President of the Virginia Military Institute, who has had many years' experience in the Philippines. He will have the personal rank of Minister. Work is now proceeding actively on the selection of the other members of the Mission, and

I hope it will be prepared to start its work early in July.

I consider this Mission to be of the highest importance, not only because of the results which I expect it to produce, but also because it is a symbol of the half century of intimate relationship between the Philippine and American peoples. It is my hope that the Mission will further solidify this historic association.

181 Exchange of Messages With the Presidents of Costa Rica, the Dominican Republic, Nicaragua, and Colombia Concerning the U.S. Decision on Korea. June 29, 1950

[1.] *His Excellency Otilio Ulate:*

I greatly appreciate your telegram of June 28. The support of all free men in these difficult hours is an affirmation of the high purposes of the United Nations and gives encouragement to the cause of justice.

HARRY S. TRUMAN

[His Excellency Otilio Ulate, President of the Republic of Costa Rica, San José]

NOTE: President Ulate's message, dated June 28, follows:

The effective support that Your Excellency has given to the Security Council in its decision relating to the conflict in Korea fosters the conviction and the hope of the free men and free nations of the world and demands recognition from the other democracies of this continent. I take this means to express to you these sentiments in behalf of Costa Rica.

The decision of the Security Council besides tending to consolidate peace and safeguard freedom, as is incumbent upon it by virtue of its function, involves other aspects which profoundly interest Costa Ricans. That resolution was not taken for the benefit of great powers which have sufficient force to protect themselves but was taken to safeguard the territorial integrity of a human group with a right to a peaceful existence which does not have at its disposal the indispensable material means for defending itself against aggression but which does have a legitimate government, the product of a free suffrage and therefore a real expression of the popular will, according

to the investigation that was carried out by the Security Council itself.

Costa Rica, which invariably defends the democratic principles of its life and jealously guards its institutions, which in the international field adheres to the principles of juridical equality of states and which in its internal life shows itself at all times disposed to make effective freedom of suffrage as one of the fundamentals of democracy and as one of the sources of liberty, must view with approval the attitude of the Security Council in protecting those same principles against an unutterable totalitarian aggression and likewise views with approval the moral and material backing that the United States through the lofty conduct of Your Excellency gives this attitude.

Please accept the congratulations which I express in the name of the government and the people of Costa Rica.

With highest consideration for Your Excellency.

Your friend,

OTILIO ULATE

[2.] *His Excellency Rafael L. Trujillo Molina:*

I wish to thank Your Excellency for your expression of solidarity in connection with the action taken by the Government of the United States in conformity with the decision of the Security Council of the United Nations concerning the unprovoked attack on the Republic of Korea. With energetic

action I know the forces devoted to maintenance of peace and freedom in the world will be successful.

HARRY S. TRUMAN

[His Excellency Rafael L. Trujillo Molina, President of the Dominican Republic, Ciudad Trujillo]

NOTE: President Trujillo's message, dated June 27, follows:

In acknowledgment of the presidential declarations made known at twelve noon today, I have the honor to express to Your Excellency that my Government is entirely in accord (identified) with the determined attitude taken by Your Excellency's Government, in deciding to back with the power of United States arms, which are arms of liberty, the decision of the Security Council of the United Nations, unrespected by the Communist Government of North Korea. The proposal of world domination by communism can only be frustrated when the democracies take decisions bold and energetic as those which in these moments Your Excellency's Government has taken. The sincerity of these words is confirmed by the firm conduct with which for a long time I have been adopting and proclaiming in my country to defend it from the aggressive action of communism. I take this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

RAFAEL L. TRUJILLO

[3.] *His Excellency Anastasio Somoza:*

Your message of support of June 27 is greatly appreciated. It is important in these hours that the nations of the free world take their stand against aggression.

HARRY S. TRUMAN

[His Excellency Anastasio Somoza, President of the Republic of Nicaragua, Managua]

NOTE: President Somoza's message, dated June 27, follows:

In view of the breach of the peace which the armed attack on the Republic of Korea by forces of Northern Korea implies, my Government, following its traditional policy of respect for international commitments and of solidarity with the Western Democracies, hastens to assure Your Excellency of its firm

determination to support whatever attitude your great Nation may decide to adopt in the face of the crisis which has arisen. I avail myself of this opportunity to reiterate to you my highest esteem and cordial friendship.

A. SOMOZA

[4.] *His Excellency Mariano Ospina Perez:*

Permit me to express to Your Excellency the deepest appreciation of the Government and people of the United States for the assurances of the support of Colombia in the efforts being made by the United States, through the United Nations, in defense of world peace, democracy, and respect for international treaties. I feel certain that Colombia, as a member of the United Nations, will do all in its power to assist in fulfilling the resolutions of the Security Council.

Accept, Excellency, the assurances of my highest and most distinguished consideration.

HARRY S. TRUMAN

[His Excellency Mariano Ospina Perez, President of the Republic of Colombia, Bogotá]

NOTE: President Ospina Perez' message, dated June 28, follows:

As a result of the noble efforts which Your Excellency and the great North American people are making in defense of world peace, democratic systems, and the unreserved respect due international treaties, it behooves me, in the name of the Government and people of Colombia, to inform Your Excellency that my country, in accordance with the obligations imposed on it as a member of the United Nations and of the Organization of American States, is disposed to collaborate with the Government of the United States in the manner which the development of international events may make necessary for the successful fulfillment of the resolutions of the Security Council and the repulse of the unjust aggression of which the Republic of Korea has been victim. I take this opportunity to reiterate to Your Excellency my sentiments of consideration and friendship.

MARIANO OSPINA PEREZ

182 Veto of Bill To Amend the Hatch Act.

*June 30, 1950**To the House of Representatives:*

I return herewith, without my approval, H.R. 1243, a bill "To amend the Hatch Act."

This bill would make two major revisions in the Act which imposes restrictions on the political activities of Federal employees. First, the bill gives the Civil Service Commission a limited amount of discretion to provide a lesser penalty than removal from office for those employees found to violate the political activities restrictions of the Hatch Act. Second, the bill requires that, in those political subdivisions where Federal employees are allowed to take part in non-partisan election activities restricted to a local or community level, they shall also be allowed to take part in such activities on a partisan basis.

The bill makes other changes in the Hatch Act. One of these would require that every year the Civil Service Commission shall send to the President for transmittal to the Congress a report listing all persons against whom action has been taken by the Commission, along with a statement of the facts of each case and the penalty imposed. Another change would confer a statutory right upon committees of the Congress to obtain records containing testimony or other evidence relevant to charges and allegations of violation of the political activity restrictions of the Hatch Act. A final change would impose a criminal penalty for the failure to disclose parties sponsoring political literature transported in interstate commerce.

I have no objection to three provisions of this bill: that giving a limited discretion to the Civil Service Commission in the imposition of penalties for violations of the Hatch Act; that requiring annual reports to the

Congress of cases involving violations by Federal personnel of the political restrictions of the Hatch Act; and that with respect to distribution of political literature. Particularly, I am wholeheartedly in accord with the desirability of vesting in the Civil Service Commission the authority to impose lesser penalties than removal from the Federal service for violations of the political activities provisions of the Hatch Act. Under present law, this stern penalty must be imposed even in cases involving a minor or inadvertent violation. Clearly there is a need to temper this drastic provision in order to assure full and effective enforcement of the law. I feel that the new section 9(b) provided in section 1 of this bill would adequately meet this need.

Unfortunately, there are two other provisions of the bill to which I cannot subscribe.

One of these provisions extends additional privileges to Federal workers in certain areas by enabling their participation in partisan political activity restricted to a local or community level. If, as the measure intends, the political privileges of the Federal employees are now to be extended to the field of local partisan politics, there is no valid reason to confine the extension to geographic locations or to areas where the number of Government employees is predominant. If Federal employees are to be allowed to participate completely and actively in the selection of local officials, a move which I endorse, their participation should be permitted on a nation-wide basis.

I feel the obligation to point out that this particular provision, as now worded, might not accomplish what it purports to do. In certain states or localities having so-called

party plans, the provision would not represent any extension of rights now held. Where a party plan is in force, a Federal worker could not seek local office on a partisan ticket without supporting all other party candidates, whether for local, state, or national office. If he did support them actively, he would automatically be in violation of the Hatch Act. If he failed to give active support, he could be penalized by removal from the ballot. Thus, it would appear that in such a case the Federal worker gets nothing more than the rights which he already has. To protect the Federal worker in such circumstances against undue pressures to indulge in partisan activities, the Civil Service Commission should be authorized to deny the right to participate in local partisan politics wherever the party plan exists.

The other objectionable provision in this bill relates to the statutory right given Congressional committees to obtain records containing testimony or other evidence relevant

to charges and allegations of violations of the Hatch Act. This provision represents an encroachment upon the long recognized prerogative of the Chief Executive to maintain in confidence those papers and documents which, in the public interest, he feels should be so maintained. It has been the position of every President that it is for the Executive to determine what documents and papers in the Executive Branch should be held confidential. This is entirely consistent with the separation of powers provided by our Constitution. I cannot accept or give my approval to any act of the Congress which would threaten or diminish so preeminently necessary a right of the Chief Executive.

In view of the foregoing considerations, I have felt obliged to withhold my approval of this enactment in its present form. I shall be quite willing to approve a bill which does not contain these two objectionable features, and I urge that the Congress take such action before the close of the present session.

HARRY S. TRUMAN

183 Veto of Bill To Amend the War Contractors Relief Act.

June 30, 1950

To the House of Representatives:

I return herewith, without my approval, H.R. 3436, an Act "To amend the War Contractors Relief Act, as amended."

In taking this action, I wish to make it clear to the Congress that I am not opposed to legislation which would insure an equitable settlement of the claims filed under the original War Contractors Relief Act. If the Congress will take prompt action on such a measure, I shall be glad to approve it.

The first War Powers Act authorized the Government to provide relief on war contracts when "such action would facilitate the prosecution of the war." Its purpose was

not to relieve contractors because of losses, or to insure them against losses. Its purpose was to obtain needed war production.

When hostilities ended on August 14, 1945, a number of Government agencies felt, quite logically, that they could no longer make contract adjustments on the ground that relief so provided "would facilitate prosecution of the war." Accordingly, pending requests for relief were denied even though the facts in particular cases would have justified favorable action if they had been disposed of prior to surrender of the Japanese Government.

I cannot accept the contention that the purpose of the War Contractors Relief Act,

which H.R. 3436 would amend, was other than to provide a basis for relief to those contractors whose cases would have been handled under the First War Powers Act if war had not ended. Had I believed there was a broader purpose, I would not have issued the kind of regulations which were promulgated in Executive Order 9786. These regulations were a faithful attempt to interpret the language of the Act as affording nothing more than a statutory basis for the continued processing of written applications for relief under the First War Powers Act which were pending and undisposed of on August 14, 1945. In accordance with the terms of the Act, claims relating to these applications were permitted to be filed until February 7, 1947.

H.R. 3436, and the reports recommending its enactment, would radically change the basic purpose of the original War Contractors Relief Act. I believe that in spite of any administrative interpretation which might be made to limit the effects of the bill, its provisions not only require reconsideration of all claims originally filed, but might also be construed to permit reopening of an unknown number of cases settled under the First War Powers Act and the Contract Settlement Act. This belief is based upon the fact that the bill greatly relaxes the requirements for filing notice, and upon the further fact that the bill permits two new elements of cost which were not authorized under the 1946 Act to be allowed as costs of performance of the contracts and subcontracts. To quote the bill, these elements are "(1) all, or the properly allocable portion, of the sum paid or allowable by the claimant as reasonable compensation for services, during the period of performance of the contracts and subcontracts, to its working partners or working sole proprietor, and (2) interest at reasonable rates paid by the claimant to the date of determination of the claim on sums borrowed by him or if for the purpose of pro-

viding necessary working capital for the performance of the contracts and subcontracts."

I do not object to the language which clarifies the intent of the Congress with respect to sums paid as a reasonable compensation for services, but I do find objectionable the inclusion of interest on working capital as a basis for allowing relief. In the first place, it would discriminate unjustly against those contractors who financed their own operations. Secondly, I find nothing in the legislative history to indicate that it was ever intended to authorize the inclusion of such interest as a basis for computing losses and making claims for relief as a result of such losses. In fact, it was certainty upon this point which led to the exclusion in Executive Order 9786 of interest on invested capital as an item of cost upon which losses might be computed.

When this element of interest, relaxation of requirements for filing notice, liberalization of relief beyond that afforded by the First War Powers Act, and the specific exclusion of finality of settlement under the First War Powers Act and the Contract Settlement Act are all added together, I believe that the net effect of this bill for all practicable purposes, would be to write into law the principle of government insurance against all war-time net losses incurred by contractors providing goods and services to the Government.

In my veto message on H.R. 834, 81st Congress, a bill "To amend the Contract Settlement Act of 1944", I stated that the implications of acceptance of such a principle "are profound, both with respect to our finances and with respect to our free enterprise system." I stated further, "In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of fi-

nancing the war, with incalculable effects upon our finances." These quotations are equally applicable in the case of this bill. If this principle should ever be accepted for those who had contracts with the Government, I would see no basis for withholding its extension to thousands upon thousands of other persons who suffered in producing for the war effort without contracts.

In addition to this major objection to H.R. 3436, I should like to elaborate another point to which I have already referred. There can be no doubt that the bill relaxes the requirement of the original War Contractors Relief Act that requests for relief must be in writing. The last sentence of section (b) of the bill states, "The form of the request for relief hereunder shall be immaterial, provided it inform the Government or the dominant contractor that a loss was being suffered, was anticipated, or had been suffered by the contractor, subcontractor, or subcontractor in connection with the work in question." To authorize the founding of a claim upon any kind of notice and regardless of whether the notice was filed with the Government, would in itself place the Government in a most unfavorable position to protect itself against favoritism and collusion or fraud.

When taken together with the provisions of section 1 of the original Act which authorizes settlement for losses incurred "without fault or negligence", it would place upon the Government the requirement of having to prove fault or negligence in order to deny claims for work which may have been performed as long ago as the fall of 1940. Such a requirement would be wholly indefensible.

It is unfortunate, and I deeply regret that there has been uncertainty and, in the opinion of the supporters of this measure, controversy between the Congress and Executive agencies as to the intent of the War

Contractors Relief Act. It is likewise a matter of deep concern to me that I find myself unable to agree with the Committees' reports upon H.R. 3436. The language of the bill standing alone, or when read in the light of the Committees' statements, does not provide an acceptable clarification of the original Act. Therefore, I see no way to approve the Act and depend upon its legislative history to provide an enforceable statement of its limitations.

In spite of my objections to the scope of H.R. 3436 and the principles which I believe it would write into law, I am convinced that agreement can be reached upon what the Government has a clearcut obligation to do. To that end, I wish to repeat that I shall be glad to approve a bill which limits its amendment and interpretation of the War Contractors Relief Act as suggested in this message.

I believe that a bill incorporating the following seven provisions would be fair and would permit equitable settlement of those claims, unsettled at the end of the war, which the Congress feels have been rejected on the basis of "flimsy technicalities."

1. Authorize reconsideration of the claims filed in accordance with the provisions of the original War Contractors Relief Act.

2. Remove the basis for technical rejection by permitting either a request in writing for relief under the First War Powers Act, or a written demand for payment of losses, or a written notice of sustained or impending loss, if timely filed, to be accepted as a basis for claim.

3. Authorize consideration and settlement of the claims of subcontractors on the same basis as the prime contractors if the same kind of written request, demand, or notice was filed with a Government agency, a prime contractor, or another subcontractor prior to August 14, 1945.

4. Permit reasonable compensation with respect to partners and proprietors, thus affording them the same treatment accorded corporations.

5. Preserve jurisdiction of the courts over suits now pending and not require any claimant to start over again in the presentation of his claim.

6. Permit a reasonable time, perhaps sixty days, for amendment or revival of any claim.

7. Include the clarifying definitions of section 7 of H.R. 3436.

Prompt enactment of such legislation will make it possible for the Executive agencies and the courts to discharge the responsibilities which I am convinced they cannot equitably discharge under the measure that I am returning without my approval.

HARRY S. TRUMAN

NOTE: See also Item 216.

184 White House Statement Following a Meeting Between the President and Top Congressional and Military Leaders To Review the Situation in Korea. *June 30, 1950*

AT A MEETING with congressional leaders at the White House this morning, the President, together with the Secretary of Defense, the Secretary of State, and the Joint Chiefs of Staff, reviewed with them the latest developments of the situation in Korea. The congressional leaders were given a full review of the intensified military activities.

In keeping with the United Nations Security Council's request for support to the

Republic of Korea in repelling the North Korean invaders and restoring peace in Korea, the President announced that he had authorized the United States Air Force to conduct missions on specific military targets in northern Korea wherever militarily necessary, and had ordered a naval blockade of the entire Korean coast. General MacArthur has been authorized to use certain supporting ground units.

185 Address at Valley Forge at the Boy Scout Jamboree. *June 30, 1950*

Governor Duff, President Houghton, Boy Scouts of the world:

I certainly appreciate most highly this decoration you have given me. I hope I can deserve it, and that I can wear it with honor to this great organization.

As Honorary President of the Boy Scouts of America, I am proud to open this Scout Jamboree. I understand that there are nearly 50,000 Scouts in this encampment. I am glad to see such evidence of the strength of the Scout movement. And I think it most appropriate in times like these

that you have chosen to hold your Jamboree at this historic shrine of Valley Forge.

When George Washington brought his army to this spot in December 1777, the cause of independence appeared to be lost. His army at that time numbered only 11,000 men—less than one-fourth the number of Scouts attending this Jamboree. Washington's men were without adequate food. They were in rags. Some had no shoes. They had to build their own shelter against the bitter weather. The enemy occupied the capital city of Philadelphia. Few men be-

lieved that George Washington's tiny force could survive. Victory seemed out of the question.

Just suppose that George Washington had had about 15 miles of that 35 miles of hot dogs you have here. Think what that would have meant to him and his army at that time. You ought to appreciate how well fed you are, how well taken care of you are in this great Nation of ours. There are thousands and thousands of people in this world who are right on the verge of starvation, and who are starving to death. You should be thankful for the privileges which you have under this great Government of yours.

But the men of Washington's army stuck it out. They stuck it out because they had a fierce belief in the cause of freedom for which they were fighting. And because of that belief, they won.

I know that we still have, in this country, that same unconquerable belief in freedom.

Many of you know, I am sure, that men from other countries came over here, during our Revolutionary War, to fight with us for freedom. Lafayette was a Frenchman; Von Steuben, a German; Pulaski, a Pole, and many others were here with our army at Valley Forge.

Today, even more than in Washington's time, men in other countries share our belief in freedom and our willingness to make sacrifices for it. These men are just as eager as we are to achieve peace in the world based on freedom and justice. If we are to succeed in our common struggle for peace, we must know and work with these freedom-loving people of other countries. We need to understand their problems and they need to understand ours, so that all of us can work together effectively.

I am very glad that the Boy Scouts are doing so much to further this understanding among the people from different countries.

You are to be congratulated on sending so many food and clothing packages overseas and on your support of the United Nations Appeal for Children and the World Friendship Fund.

At this encampment there are Scouts from every State in the Union, from Alaska, Hawaii, Puerto Rico, and from the Philippines and many other foreign countries. This is a practical demonstration of how to achieve world understanding. When you work and live together, and exchange ideas around the campfire, you get to know what the other fellow is like. That is the first step toward settling world problems in a spirit of give and take, instead of fighting about them.

I wish that more people from foreign countries would visit here and learn about our way of life. When visitors come over here and spend some time with us, they carry back to their home countries a better picture of what American democracy is really like.

And the same thing is true in the other direction. The more of us from the United States who go abroad, and live for awhile with people in other countries, the better prepared we will be to work with other nations for peace in the world.

I hope that many of you Scouts will have a chance to attend Jamborees like this one in other countries. I hope that in the future you will have opportunities to travel and live abroad. Some of you may decide to choose your life work abroad—in business, in religious or educational activities, or in Government.

For those of you who are so inclined, I don't believe you could find a more satisfying career. There is a tremendous amount of pioneering work to be done. In many lands the people are eager to learn modern methods of making their lives healthier and more secure. Our young citizens can help to teach modern techniques to the people of

these areas, and assist them to improve their health and education, increase their production, and raise their standards of living. Bringing better conditions to the people of these countries will be a great contribution to the cause of peace.

The Scout movement is good training for this kind of international work. Scouting is based on the ideal of human brotherhood. Scouts know that the men of other lands are very like ourselves. They have the same desire to work for human advancement.

The great tragedy of our times is that there are movements in the world that deny this fundamental ideal of human brotherhood. These movements have devoted themselves to preaching distrust between nations. They have made a religion of hate. They have tried to turn the peoples of the earth against one another—to create a gulf between different peoples that fellowship cannot bridge. As a part of this effort, they have tried to poison the minds of the young people.

Back in the days of Hitler and Mussolini, the young people of Germany and Italy were regimented in organizations dedicated to the idea of racial hatred and war. They were shut off from the influence of their families and their churches, and sacrificed to the ambition of the tyrants who led them.

Today, the young people of Communist-dominated countries are being mobilized and marched, in the same fashion, under the hammer and sickle. These boys and girls are being given a completely distorted picture of the world and prevented from learning the truth about other countries. They are being taught to place the state above the obligations of family life. They are being brought up to despise religion and to believe that God does not exist. They are being made into tools of power politics, and their masters will not hesitate to sacrifice

their lives if that will advance the cause of Communist imperialism.

This is a sad and terrible thing. You Scouts can understand only in part how sad it is. But your parents can understand the sorrow that afflicts the parents of other lands when they see their children taken away from them in this way, turned against the ideals they hold dear, and used to serve the purpose of a godless power.

How can we meet this situation? There is only one way. We must not return hate for the hate which these young people are being taught to feel toward us. We must realize that they are the victims of a cynical group of leaders. We must make it clear to them that we believe in the fellowship of human beings, in the possibility of cooperative human action, and in peace based on mutual understanding. We must show them, over and over again, that fellowship is possible between men of different nations, different colors, and different creeds.

We must continue to hold out to them the invitation to work with us for the common good.

We are deeply and sincerely interested in the well-being of the youth of the world—not only American youth, but the young people of all countries. We are working, and we will continue to work, for a world in which young people are not regimented and exploited, but instead are given the opportunity to develop their capacities and contribute to a better future.

The United States, together with the other free nations, is striving to build a world in which men will live as good neighbors and work for the good of all. Our program for peace is not directed against the people of any land. It is designed to bring to all people the benefits of justice and freedom.

I hope that you young men in the Boy Scout movement, in this country and other countries, will take home from this Jam-

bore a clearer understanding of the meaning of human brotherhood. I hope that you will work for freedom and peace with the same burning faith that inspired the men of George Washington's army here at Valley Forge.

We cannot succeed in building a peaceful world unless we all work as hard as we know

how. I am confident that you will all do your very best.

NOTE: The President spoke at 9:05 p.m. at Valley Forge, Pa. In his opening words he referred to James H. Duff, Governor of Pennsylvania, and Amory Houghton, president of the National Executive Board, Boy Scouts of America.

The decoration presented to the President was the Silver Buffalo Award.

The address was broadcast nationally.

186 The President's News Conference of July 6, 1950

THE PRESIDENT. I have no special announcements to make this morning. I will try to answer questions, if I can.

[1.] Q. Mr. President, I wonder if you would comment on the railroad strike and what might be done to bring it to an end?

THE PRESIDENT. The railroad strike has been brought about by a very small minority of the switchmen. It is an unjustified strike, and the men ought to go back to work at once. They had the views of a very able board, made up of the chief justice of the Supreme Court of Utah, the former chief justice of the Supreme Court of Indiana, and the professor of economics of California University. The Mediation Board suggested that they go back to work, and they should have gone back to work when the Mediation Board suggested. I hope it won't be necessary to take drastic action to force them back to work.¹

[2.] Q. Mr. President, two questions, sir. First, have you any comment on Mr. Martin Hutchinson's case now?

THE PRESIDENT. Well, Martin Hutchinson's case is pending before the Senate for confirmation, and I am still backing him.²

¹ See Item 188.

² On March 6, 1950, Martin A. Hutchinson of Virginia was nominated to be a member of the Federal Trade Commission. The Senate rejected the nomination on August 9, 1950.

[3.] Q. And secondly, sir, would you care to state your intentions regarding Mr. Sumner Pike? One Senate leader states he would vote for him if you were to assure the Senate that you will not appoint him Chairman of the AEC.

THE PRESIDENT. I will make no such assurance. I am back of Mr. Pike, and he ought to be confirmed. He has been confirmed twice by the Senate, and this is a foolish procedure.³

Q. Mr. President, one or two of his opponents on the Hill imply that he has dragged his heels on some very important defense projects recently ordered by you?

THE PRESIDENT. It is not true, and it has been testified by the Defense Department that Sumner Pike has been always cooperative. If I had been intending to appoint Sumner Pike Chairman of the Commission, I would have done it a long time ago. But I will make no such assurances to the Senate that I won't appoint him.

³ Sumner T. Pike held the position of Acting Chairman of the Atomic Energy Commission from the time that the resignation of David E. Lilienthal became effective on February 15, 1950. Mr. Pike's 4-year term as a member of the Atomic Energy Commission had expired on June 30. He was subsequently confirmed by the United States Senate for another 4-year term on July 10, 1950. Gordon E. Dean was appointed Chairman of the Commission on July 11, 1950.

[4.] Q. Mr. President, may I ask one more question about the railway strike, please? You said you hoped it will not be necessary to take drastic action.

THE PRESIDENT. That's correct.

Q. Do you feel that the strike, although limited, is sufficiently important to require action, like going before Congress with a message to the Congress, or seizure?

THE PRESIDENT. I didn't understand that question. Will you repeat it, please?

Q. Do you feel, sir, that this strike of the switchmen is important enough, even though it is limited, to require that you go before Congress, or seek seizure through the courts?

THE PRESIDENT. Well, this strike is tying up five mainline railroads, two of which are absolutely essential to the movement of the wheat crop and to the movement of cattle from the grass pastures to the feed lots in the Middle West, and it seems to me that that is reason enough for drastic action unless the strike is discontinued.

[5.] Q. Mr. President, at the hearing on Mr. Pike, no charges were made against him, and no questions were asked him. Are you aware of the nature of the opposition to him?

THE PRESIDENT. Yes, I am perfectly aware of it. It is purely political.

Q. Party politics?

THE PRESIDENT. Party politics. *Republican* Party politics, if you please. [*Laughter*]

[6.] Q. Mr. President, is this railroad strike having any effect on the shipment of other materials—men or anything else needed in the Korean fight?

THE PRESIDENT. No. This is purely a domestic proposition.

[7.] Q. Mr. President, there was one Democrat voted against Mr. Pike, Mr. Johnson of Colorado.⁴ Have you any explanation of that?

⁴ Senator Edwin C. Johnson of Colorado.

THE PRESIDENT. Does that need any explanation, Pete? ⁵

Q. Yes.

THE PRESIDENT. He votes with the Republicans much oftener than he does the Democrats, although he poses as a Democrat.

Q. I didn't quite understand what you said.

THE PRESIDENT. Pete asked me about the Democrat——

Q. Yes.

THE PRESIDENT. ——who voted against him. I said he votes with the Republicans more often than he does the Democrats. And he is chairman of an important committee, too.

Q. The Hutchinson committee?

THE PRESIDENT. No, no. The Interstate and Foreign Commerce Committee.

Q. Yes. Hutchinson is Federal Trade, which comes under that committee.

THE PRESIDENT. Yes, sure. I am not talking about Hutchinson. I am talking about the chairman of the committee.

Q. Mr. President, were you aware of the report that they were perhaps going to knock off the two together, Pike and Hutchinson?

THE PRESIDENT. No, I was not in on the inside workings of the committee, because I wasn't present. [*Laughter*]

[8.] Q. Mr. President, since we last talked to you last Thursday, there have been some developments in the Korean situation. Could you, at this time, tell us anything further about what we are doing out there and what is going on?

THE PRESIDENT. I am not in a position to comment this morning.

[9.] Q. Mr. President, should the switchmen go back to work as a patriotic duty or merely to carry out the objectives of the Railway Labor Act?

THE PRESIDENT. They should go back to

⁵ Raymond P. Brandt of the St. Louis Post-Dispatch.

work to carry out the objectives of the Railway Labor Act, which is also a patriotic duty, by the way.

[10.] Q. Mr. President, there was a story in one of the morning papers today to the effect that some 40 reserve battalions will be called into action—into mobilization to back up MacArthur?

THE PRESIDENT. There are a great many military experts in this country who know exactly what ought to be done, and that measure has not been discussed by the people who would have the authority to do it.

Q. Thank you.

Q. Do you have any plans now to call the National Guard up?

THE PRESIDENT. No. I have the authority, but no plans in that direction.

Q. Mr. President, do you have any plans in mind for asking additional military funds from Congress?

THE PRESIDENT. Not at the present time.

[11.] Q. Mr. President, yesterday Secretary of Defense Johnson said that the Joint Chiefs and the service Secretaries were not making any public pronouncements or speeches during the month of July because, he said, there was a possibility of misinterpretations with this Korean situation going on. He said you were very happy to learn of this, and he said we should ask you whether you plan to do the same thing. We asked him and he said to ask you about it.

THE PRESIDENT. I have no dates in mind right at the present time. And I am very happy that the Defense Department is going to devote all their time to their job over there, instead of making speeches. [*Laughter*]

[12.] Q. Mr. President, could you tell us anything about the effect that the war in Korea may have on the military aid program as regards Korea? Will the expenditures

originally intended to fortify their own military forces be now available for use elsewhere since our own military is in there fighting, under United Nations auspices?

THE PRESIDENT. No, there will not be, and I can make no comment on that until we get the final results of the situation as it develops in Korea. But the appropriations here remain specific with regard to Korea.

[13.] Q. Mr. President, have you any comment on a report from Cairo that we are exerting pressure on them to back the United Nations resolution?

THE PRESIDENT. I know nothing about it.

[14.] Q. Mr. President, are you expecting a report on industrial mobilization from Mr. Symington⁶ in the near future?

THE PRESIDENT. That report is always up to date. We work on it all the time. I can get it any minute I want.

[15.] Q. Mr. President, are you still hopeful with the general situation in Korea?

THE PRESIDENT. Of course I am. It will work out all right.

Q. Mr. President, is the door closed on using those 32,000 Chinese Nationalist troops in Korea?⁷

THE PRESIDENT. Now that is a political matter of international purport, and I can't comment on it this morning.

Q. Is the decision up to the—

THE PRESIDENT. I can't comment on it this morning.

Reporter: Thank you, sir.

NOTE: President Truman's two hundred and thirtieth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:35 a.m. on Thursday, July 6, 1950.

⁶ W. Stuart Symington, Chairman, National Security Resources Board.

⁷ The Chinese Nationalist Government on Formosa announced on June 29 that they were willing to send 30,000 combat soldiers to the aid of the South Korean forces, if that action was approved by Allied officials.

187 Statement by the President Regarding a Request for
Supplemental Appropriations for the Atomic
Energy Commission. *July 7, 1950*

I HAVE today transmitted to the Congress a supplemental appropriation request for the Atomic Energy Commission for fiscal year 1951 in the amount of \$260 million, to enable the Commission to build additional and more efficient plants and related facilities required in furtherance of my Directive of January 31, 1950. That directive called upon the Commission to continue its work on all forms of atomic weapons, including the hydrogen or fusion bomb. These additional plants, like the existing facilities, will provide materials which can be used either for weapons or for fuels potentially useful for power purposes. The plants will be of advanced design, and their operation will provide new knowledge that will speed the progress of the atomic energy program. In this new undertaking, the Atomic Energy Commission has my complete confidence, based upon the able and vigorous leadership which it has given to the atomic energy program in the past. We shall, moreover, continue to depend heavily upon the inge-

nuity and cooperation of American industry.

The expansion in the scope of our atomic energy program gives added emphasis to the fact that atomic energy has great potentialities both for destruction and for the benefit of mankind. From the very outset we have stood, and we continue to stand, firm in our desire for effective international control of atomic energy to insure its use for peaceful purposes only. This is a fundamental objective to which this Government and the vast majority of the United Nations have committed their best efforts. Agreement on this goal would make the facilities of our atomic energy enterprise fully available for peaceful purposes. Until this objective is achieved, however, we must strengthen our own defenses by providing the necessary atomic energy production capacity.

NOTE: On September 27, 1950, the President signed the Supplemental Appropriation Act, 1951, which included an additional amount of \$260 million for the Atomic Energy Commission (64 Stat. 1054).

188 Statement by the President Upon Issuing Order
Averting a Railroad Strike. *July 8, 1950*

I HAVE today, by Executive order, taken over the transportation system of the Chicago, Rock Island and Pacific Railroad Company and have directed the Secretary of the Army to operate it in the name of the United States Government.

A strike by the Switchmen's Union of North America has forced this railroad to cease operations. This union has declined to accept the findings and recommendations of an emergency board created by the Presi-

dent under the Railway Labor Act. In the strike situation thus confronting us, governmental seizure is imperative for the protection of our citizens.

It is essential to the national defense and to the security of the Nation, to the public health and to the public welfare generally, that every possible step be taken by the Government to assure the operation of this railroad.

I call upon every employee to cooperate

with the Government by returning to duty. I call upon the officers of the Switchmen's Union of North America and such other labor organizations as may be affected to take appropriate action to keep their members at work.

The Executive order I have issued provides that, until further order of the President or the Secretary of the Army, the terms and conditions of employment in effect on this railroad at the time the strike began shall continue in effect, without prejudice to existing equities or to the effectiveness of such retroactive provisions as may be included in the final settlement of the dispute between the carrier and the workers.

NOTE: The President referred to Executive Order 10141 "Possession, Control, and Operation of the Transportation System of the Chicago, Rock Island and Pacific Railroad Company" (3 CFR, 1949-1953 Comp., p. 322).

The strike started on June 25 when 4,000 members of the Switchmen's Union of North America left their jobs on five midwestern and western carriers. On July 6 President Truman stated at his news conference that he might take drastic action because the walkout was tying up midwestern wheat and cattle shipments. As a result of this statement, the union called off the strike against four of the carriers but continued it against the fifth, the Chicago, Rock Island and Pacific Railroad Co.

On September 1 settlement of the controversy was announced by Dr. John R. Steelman, Assistant to the President. The agreement included a wage increase of 23 cents an hour and acceptance of a 5-day work-week, the latter to be set aside for a period of at least 1 year.

189 Statement by the President Announcing the Designation of General MacArthur To Lead the Allied Military Forces in Korea. *July 8, 1950*

THE Security Council of the United Nations in its resolution of July 7, 1950, has recommended that all members providing military forces and other assistance pursuant to the Security Council resolutions of June 25 and 27 make such forces and other assistance available to a unified command under the United States.

The Security Council resolution also requests that the United States designate the commander of such forces, and authorize the unified command at its discretion to use the United Nations flag in the course of operations against the North Korean forces concurrently with the flags of the various nations participating.

I am responding to the recommendation of the Security Council and have designated Gen. Douglas MacArthur as the Commanding General of the military forces which the members of the United Nations place under the unified command of the United States pursuant to the United Nations' assistance to the Republic of Korea in repelling the unprovoked armed attack against it.

I am directing General MacArthur, pursuant to the Security Council resolution, to use the United Nations flag in the course of operations against the North Korean forces concurrently with the flags of the various nations participating.

190 Letter to the Speaker on the Need for an Expanded Truth
Campaign to Combat Communism. July 13, 1950

Sir:

I have the honor to transmit herewith for the consideration of the Congress supplemental estimates of appropriation for the fiscal year 1951 in the amount of \$89,000,000 for the Department of State and the General Services Administration.

On several recent occasions I have directed the attention of the Congress and the Nation to the growing abuse and vilification of communist propaganda. Unsuccessful in its attempts to win Western Europe through ideological appeals, communism is seeking to discredit the United States and its actions throughout the world. If it succeeds in this effort to create distrust and hatred of our Government and its motives, the gains we have recently made in Western Europe may be substantially nullified. Our material assistance, to be fully effective, must be complemented by a full-scale effort in the field of ideas.

The free nations of the world have a great advantage in that truth is on their side. Communist leaders have repeatedly demonstrated that they fear the truth more than any weapon at our command. We must now throw additional resources into a campaign of truth which will match in vigor and determination the measures we have adopted in meeting postwar economic and military problems. Anything less than our best and most intense effort will be insufficient to meet the challenge—and the opportunity.

This expanded program has been developed on the basis of first things first. It does not propose a general world-wide expansion of our information and educational exchange efforts. Instead it is concentrated on the most critical areas in the world today. Each of these critical areas has been studied

with great care; our objectives for each area have been defined. What we are now doing in each area has been appraised, and the additional steps needed have been determined.

I regard such an expanded campaign of truth as vital to our National Security. We will never attain real security until people everywhere recognize that the free nations of the world are the true seekers of permanent peace.

The details of these estimates are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN

[The Speaker of the House of Representatives]

NOTE: The letter from the Director of the Bureau of the Budget, dated July 13, is printed in House Document 641 (81st Cong., 2d sess.).

On July 17 the White House made public a letter to the President, dated July 14, from the United States Advisory Commission on Information. The letter called attention to the "anomaly which exists by reason of the expenditure of fifteen billions of dollars a year on defense, five to six and a half billions a year on economic and foreign aid and, this year, a little over thirty million dollars on our total information and education program designed to make the rest of the world understand our purposes."

The letter further stated, "You have been aware of the necessity for a much more vigorous 'campaign of truth,' as you demonstrated in your speech to the American Society of Newspaper Editors. In that speech, you said, among other things, 'We know how false these Communist promises are. But it is not enough for us to know this. Unless we get the real story across to people in other countries, we will lose the battle for men's minds by default.'" (See Item 92.)

On September 27, 1950, the President approved a bill making supplemental appropriations for international information and educational activities (64 Stat. 1048).

See also Item 227.

191 The President's News Conference of
July 13, 1950

THE PRESIDENT. [1.] It looks like we'll have to get a bigger hall. [*Laughter*]

I have no particular announcements to make, but I will try to answer questions so far as I can.

[2.] Mr. President, two allied questions. First, is the excise tax being continued?

THE PRESIDENT. Mr. Snyder made a statement on the tax situation this morning, which I approved. I would suggest that you read the statement. I'll read it to you, it's short.¹

Q. I have a copy, sir.

THE PRESIDENT. All right.

Q. And, Mr. President, should cooperatives at this time be taxed the same as corporations?

THE PRESIDENT. Same answer as before.

[3.] Q. Mr. President, is there anything you could tell us about plans for any partial industrial mobilization—

Voices: Can't hear—can't hear.

THE PRESIDENT. He wanted to know if there were any plans about industrial mobilization. All the things that relate to the emergency are under consideration, and at the proper time the necessary steps will be taken if they are necessary. I want to say directly that they are under consideration.

[4.] Q. Well, specifically, Mr. President, Senator Thomas yesterday said that he expects that there will be a request for a billion additional for military expenditures in a week or so?

THE PRESIDENT. Since the figures have not

been assembled and presented to the President of the United States, we can't give any definite figure.

Q. Mr. President, may I just give you one more?

THE PRESIDENT. Sure, fire away.

Q. May we expect, though, that there will be a request for additional military expenditures in the next week or so?

THE PRESIDENT. It is under consideration.

[5.] Q. Mr. President, sir, do you still call this a police action?

THE PRESIDENT. Yes, it is still a police action.

Q. Mr. President, are we prepared to resist aggression everywhere in the world, as in Korea?

THE PRESIDENT. We will have to meet the situations as they develop. I can't answer that question.

[6.] Q. Mr. President, there was a report from South America today that Chile is ready to give a corridor to the sea to Bolivia, and that you approve of the idea. Would you comment on that?

THE PRESIDENT. It was discussed when the President of Chile was here. It is a matter between Chile and Bolivia. Doesn't require the approval of the President of the United States. [*Laughter*]

Q. But do you like the idea?

THE PRESIDENT. I like it very much.

[7.] Q. Mr. President, is there any truth to the report that you intend to ask the Army Engineers to go ahead with the St. Lawrence Seaway?

THE PRESIDENT. The first time I heard about it was the release that I saw on the wire. I know nothing about it. I have no such intention. That would be the best answer, I think.

¹ Secretary Snyder appeared before the Senate Finance Committee on July 13 and requested that excise taxes be retained. Citing the Korean situation he added that their discontinuance "would disorganize the taxing machinery of the Government and result temporarily in losses of needed revenues."

Q. That's fine. Thank you.

THE PRESIDENT. Did you have a question?

[8.] Q. Yes, sir, thank you—can you say anything about mobilization plans, sir, not industrial—manpower?

THE PRESIDENT. All those things are under consideration, and I can't make any statements on them at the present time. You will be kept informed of all the procedures as they come about.

[9.] Q. Mr. President, are you planning any report to Congress or to the people on the Korean situation?

THE PRESIDENT. That is under consideration, too. No decision has been reached.

Q. Mr. President, would you give us an evaluation now of the fighting so far in Korea, from your point of view?

THE PRESIDENT. No. I am not in charge of the military in Korea, and the report is made every day by General MacArthur, and he is the one to evaluate the situation. I rely on his evaluation.

Q. Well, Mr. President, can you comment in general on the outlook in Korea? Last week you said you were hopeful—

THE PRESIDENT. I feel the same way. My position has not changed on that at all.

Q. Are you anything more than hopeful, sir—what I mean is—

THE PRESIDENT. What do you mean by that?

Q. It does require clarification. We all get queries from our home offices—

THE PRESIDENT. Sure.

Q. —on the communiques. What reassurance can we give the American people that we are not getting the tar licked out of us?

THE PRESIDENT. We are going to—

Q. Can't hear, sir.

THE PRESIDENT. —let me tell you something—

Q. We can't hear.

THE PRESIDENT. He wanted to know what

assurance we could give the American people that we aren't getting the tar licked out of us. It has never happened to us. It won't happen this time.

Q. In that connection, Mr. President, do you feel certain that we will be able to retain a foothold in Korea?

THE PRESIDENT. We will be able to retain a foothold in Korea as far north as the 38th parallel.

Q. Mr. President, does that mean that we don't intend to carry our police action north of the 38th parallel?

THE PRESIDENT. I will make that decision when it becomes necessary to do it.

Q. Thank you.

[10.] Q. Mr. President, any news on the Mexican loan?

THE PRESIDENT. No.

[11.] There is one thing I would like very much to impress on you, if you will bear with me about a minute.

There is no prospect of any food shortage in this country at any time. We have in prospect one of the largest corn crops we have ever had and had a billion bushels carried over. We have a normal cotton crop in prospect, and there are 3 million bales in storage in the hands of the Commodity Credit Corporation. We expect as large a wheat crop as we had last year and anticipate as large a one next year, and there are some 700 million bushels of wheat in the carryover. So there is nothing to worry about, so far as food and things of that sort are concerned. I wish you would make that perfectly plain to your subscribers.

Q. Mr. President, we talked to Mr. Bran-
nan this morning about that, and he said it would be a reasonable deduction that rising prices would be due to profiteering. Do you agree with that?

THE PRESIDENT. I do. The statement I just made you would show that that is true. I discussed the matter with Secretary Bran-

nan this morning, too. [*Laughter*]

Q. He denied it.

Q. Would you like to comment on the hoarding, Mr. President?

THE PRESIDENT. I beg your pardon?

Q. There are reports of hoarding of food and various other commodities. Would you like to make a statement?

THE PRESIDENT. I think it is very foolish to start anything of that kind now. There is no necessity for it whatever, as I am trying to make perfectly plain to you.

Q. Mr. President, would your remarks apply also to consumer goods, like automobiles and other—

THE PRESIDENT. I can't comment on any of those things, because I am only talking of the things that I know definitely about.

[12.] Q. Mr. President, there is a report from Geneva from the International Red Cross, I think, that they have sent a man to North Korea to see that they recognize the rules of warfare?

THE PRESIDENT. I haven't had any such report, but I am sure that General Marshall will see that that is done.²

Q. Thank you, sir.

[13.] Q. Mr. President, you were asked earlier about consideration of either going before the Congress or the people on the Korean situation. Did you mean that to say that you were considering both, or one or the other?

THE PRESIDENT. Yes, both.

Q. Thank you, sir.

THE PRESIDENT. I am considering everything in connection with this situation which I think will be helpful in keeping the American people and the Congress informed on what goes on.

Q. Mr. President, are we doing anything to urge the participation of ground troops

of other nations in—

THE PRESIDENT. That question was answered by Secretary Acheson yesterday. If you will read his report at the press conference, you will get your answer.³

[14.] Q. Mr. President, do you plan to ask for an increase in taxes?

THE PRESIDENT. I have no tax plans. The statement of the Secretary of Agriculture covered all that I can say about the matter at this time.

Q. Treasury, Mr. President.

THE PRESIDENT. I mean Secretary of the Treasury, yes. I was thinking about Brannan.

[15.] Q. Can you say anything about contingent reports that you might call up reserve officers and specialists, or mobilize the National Guard?

THE PRESIDENT. All those things are under consideration. If it is necessary, announcements will be made in plenty of time so that you will all know about it.

[16.] Q. Mr. President, on the basis of what you said about food a minute ago, you mean that there is no contemplation of rationing being necessary in food?

THE PRESIDENT. Not at all.

[17.] Q. Mr. President, in view of the present situation, is there anything to speed up the machinery of the North Atlantic Pact being urged also on the other partners?

THE PRESIDENT. That is a matter on which I can't comment at this time.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and thirty-first news conference was held in the Indian Treaty

³In a statement, released on July 12, Secretary Acheson said, "Many states have indicated a desire to assist but do not know what types of assistance within their capabilities would be useful. Advantage will be taken of these offers as soon as channels are set up." For the full text of Mr. Acheson's statement, see the Department of State Bulletin (vol. 23, p. 130).

²Gen. George C. Marshall, President of the American National Red Cross.

Room (Room 474) in the Executive Office Building at 4:05 p.m. on Thursday, July 13, 1950. The

Official White House Reporter noted that there was "standing room only this afternoon."

192 Letters to Agency Heads on the Need for Restricting Housing Credit. July 18, 1950

My dear Mr. Administrator:

The Director of the Bureau of the Budget has transmitted to me your recommendation that the aggregate outstanding amount of mortgages which may be insured under Title II of the National Housing Act be increased by all or some part of the remaining \$1,250 million authorized by the Congress.

The Housing Act of 1950 requires that the President make a determination, before authorizing an increase in the statutory limit of the aggregate amount of insured mortgages, that such an increase would be in the public interest, taking into account the general effect of any such increase upon conditions in the building industry and upon the national economy.

As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. As suggested in your letter, it is already clear that, as a result of events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

For this reason, I do not believe that it would be in the public interest to authorize the full increase of \$1,250 million in the authority to insure new mortgages. Ac-

cordingly, pursuant to the authority of section 203(a) of the National Housing Act, I hereby approve an increase of \$650 million in the aggregate outstanding amount of mortgages which may be insured under Title II of said Act, thereby increasing the insurance authorization under said title to \$8,400 million.

For the same reason, I request that the Housing and Home Finance Agency and its constituent agencies take the following administrative actions:

(1) Employ as a ceiling in analyzing property for mortgage insurance purposes the construction costs existing on July 1, 1950.

(2) Reduce on all future applications for mortgage insurance, the maximum principal amounts, or the maximum percentages of appraised value or cost, or both, of mortgages so that required down payments will be substantially increased, especially for higher priced housing, excluding military housing and the Alaska housing program.

(3) Require substantial down payments for modernization and repair loans.

(4) Reduce substantially the availability of Federal Home Loan Bank credit to member institutions especially for business expansion purposes, and, through supervisory action, encourage the application of stricter credit standards on new mortgage loans by member home financing institutions.

(5) Limit the commencement of construction of public housing to not more than 30,000 dwelling units in the first six months of fiscal year 1951, during which time the public housing program should be thor-

oughly reexamined in terms of the developing international situation.

(6) Suspend for the time being commitments for direct loans for the construction of housing by educational institutions.

(7) Take such further actions as in your judgment are or may become necessary and appropriate (such as restriction of size of projects built for sale) to curtail the use in residential construction of materials essential to national defense.

Attached for your information is a copy of my letter of today's date to the Administrator of Veterans' Affairs. It is my wish that both agencies accomplish a substantial and parallel curtailment of housing credit, but in such a way that the relative preference presently accorded veterans is preserved. I would appreciate it, therefore, if you will consult with the Veterans' Administrator in working out the details of these programs, and advise my office of any problem which remains unresolved.

Attached also for your information is a copy of my letter to the Chairman of the Reconstruction Finance Corporation regarding operations of the Federal National Mortgage Association. I would appreciate your co-operating with him in the planning and execution of the actions which I have requested.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Raymond M. Foley, Administrator,
Housing and Home Finance Agency]

My dear Mr. Administrator:

As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. It is already clear that, as a result of events of the last month,

many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

For this reason, I request that the Administrator of Veterans' Affairs take the following administrative actions:

(1) Require a cash down payment of at least five percent for all loans guaranteed, insured, or made by the Veterans' Administration, wherever permissible under existing law.

(2) Increase such required cash down payments in amounts equal to any increase in appraised value occasioned by recognized increases in construction costs over those existing on July 1, 1950.

(3) Restrict direct loan authorizations in each calendar quarter of fiscal year 1951 to one-fourth of the total amount authorized for the fiscal year.

(4) Take such further actions as in your judgment may become necessary and appropriate (such as restriction of size of projects built for sale) to curtail the use in residential construction of materials essential to national defense.

Attached for your information is a copy of my letter of today's date to the Administrator of the Housing and Home Finance Agency. It is my wish that both agencies accomplish a substantial and parallel curtailment of housing credit, but in such a way that the relative preference presently accorded veterans is preserved. I would appreciate it, therefore, if you will consult with the Administrator of the Housing and Home Finance Agency in working out the

details of these programs, and advise my office of any problem which remains unresolved.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Carl R. Gray, Jr., The Administrator of Veterans' Affairs]

Dear Mr. Chairman:

As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. It is already clear that, as a result of events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

Enclosed for your information are letters I have addressed to the Administrator of the Housing and Home Finance Agency and the Administrator of Veterans' Affairs, requesting them to take certain steps to restrain the expansion of housing credit.

As a corollary to the actions which I have asked these agencies to take, I request you to reexamine immediately the regulations of the Federal National Mortgage Association

governing both the purchase and sale of insured and guaranteed mortgages. I understand that the current regulations governing the purchase of mortgages have substantially reduced the volume of purchases. This situation should be carefully watched to make sure that further mortgage purchases are held to the irreducible minimum.

I also understand that sales of mortgages owned by the Federal National Mortgage Association have been stepped up considerably in recent months. I am sure you will agree, however, that in the present situation sales efforts should be further intensified in order to absorb, as much as possible, surplus funds seeking investment in residential mortgages.

Inasmuch as the Federal National Mortgage Association will soon be transferred to the Housing and Home Finance Agency, I would appreciate your working closely with the Administrator of the Housing and Home Finance Agency in the planning and execution of these actions.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Harley Hise, Chairman, Board of Directors, Reconstruction Finance Corporation]

NOTE: Copies of these letters were sent to the Honorable Charles F. Brannan, Secretary of Agriculture, the Honorable Thomas B. McCabe, Chairman of the Board of Governors of the Federal Reserve System, and the Honorable Maple T. Harl, Chairman of the Federal Deposit Insurance Corporation.

The President signed the Housing Act of 1950 on April 20, 1950 (64 Stat. 48).

193 Special Message to the Congress Reporting on the Situation in Korea. July 19, 1950

To the Congress of the United States:

I am reporting to the Congress on the situation which has been created in Korea, and on the actions which this Nation has taken, as a member of the United Nations,

to meet this situation. I am also laying before the Congress my views concerning the significance of these events for this Nation and the world, and certain recommendations for legislative action which I believe

should be taken at this time.

At four o'clock in the morning, Sunday, June 25th, Korean time, armed forces from north of the thirty-eighth parallel invaded the Republic of Korea.

The Republic of Korea was established as an independent nation in August, 1948, after a free election held under the auspices of the United Nations. This election, which was originally intended to cover all of Korea, was held only in the part of the Korean peninsula south of the thirty-eighth parallel, because the Soviet Government, which occupied the peninsula north of that parallel, refused to allow the election to be held in the area under its control.

The United States, and a majority of the other members of the United Nations, have recognized the Republic of Korea. The admission of Korea to the United Nations has been blocked by the Soviet veto.

In December, 1948, the Soviet Government stated that it had withdrawn its occupation troops from northern Korea, and that a local regime had been established there. The authorities in northern Korea continued to refuse to permit United Nations observers to pass the thirty-eighth parallel to supervise or observe a free election, or to verify the withdrawal of Soviet troops.

Nevertheless, the United Nations continued its efforts to obtain a freely-elected government for all of Korea, and at the time of the attack, a United Nations Commission, made up of representatives of seven nations—Australia, China, El Salvador, France, India, the Philippines and Turkey—was in the Republic of Korea.

Just one day before the attack of June 25th, field observers attached to the United Nations Commission on Korea had completed a routine tour, lasting two weeks, of the military positions of the Republic of Korea south of the thirty-eighth parallel.

The report of these international observers stated that the Army of the Republic of Korea was organized entirely for defense. The observers found the parallel guarded on the south side by small bodies of troops in scattered outposts, with roving patrols. They found no concentration of troops and no preparation to attack. The observers concluded that the absence of armor, air support, heavy artillery, and military supplies precluded any offensive action by the forces of the Republic of Korea.

On June 25th, within a few hours after the invasion was launched from the north, the Commission reported to the United Nations that the attack had come without warning and without provocation.

The reports from the Commission make it unmistakably clear that the attack was naked, deliberate, unprovoked aggression, without a shadow of justification.

This outright breach of the peace, in violation of the United Nations Charter, created a real and present danger to the security of every nation. This attack was, in addition, a demonstration of contempt for the United Nations, since it was an attempt to settle, by military aggression, a question which the United Nations had been working to settle by peaceful means.

The attack on the Republic of Korea, therefore, was a clear challenge to the basic principles of the United Nations Charter and to the specific actions taken by the United Nations in Korea. If this challenge had not been met squarely, the effectiveness of the United Nations would have been all but ended, and the hope of mankind that the United Nations would develop into an institution of world order would have been shattered.

Prompt action was imperative. The Security Council of the United Nations met, at the request of the United States, in New York at two o'clock in the afternoon, Sun-

day, June 25th, eastern daylight time. Since there is a 14-hour difference in time between Korea and New York, this meant that the Council convened just 24 hours after the attack began.

At this meeting, the Security Council passed a resolution which called for the immediate cessation of hostilities and for the withdrawal of the invading troops to the thirty-eighth parallel, and which requested the members of the United Nations to refrain from giving aid to the northern aggressors and to assist in the execution of this resolution. The representative of the Soviet Union to the Security Council stayed away from the meetings, and the Soviet Government has refused to support the Council's resolution.

The attack launched on June 25th moved ahead rapidly. The tactical surprise gained by the aggressors, and their superiority in planes, tanks and artillery, forced the lightly-armed defenders to retreat. The speed, the scale, and the coordination of the attack left no doubt that it had been plotted long in advance.

When the attack came, our Ambassador to Korea, John J. Muccio, began the immediate evacuation of American women and children from the danger zone. To protect this evacuation, air cover and sea cover were provided by the Commander in Chief of United States Forces in the Far East, General of the Army Douglas MacArthur. In response to urgent appeals from the Government of Korea, General MacArthur was immediately authorized to send supplies of ammunition to the Korean defenders. These supplies were sent by air transport, with fighter protection. The United States Seventh Fleet was ordered north from the Philippines, so that it might be available in the area in case of need.

Throughout Monday, June 26th, the invaders continued their attack with no heed

to the resolution of the Security Council of the United Nations. Accordingly, in order to support the resolution, and on the unanimous advice of our civil and military authorities, I ordered United States air and sea forces to give the Korean Government troops cover and support.

On Tuesday, June 27th, when the United Nations Commission in Korea had reported that the northern troops had neither ceased hostilities nor withdrawn to the thirty-eighth parallel, the United Nations Security Council met again and passed a second resolution recommending that members of the United Nations furnish to the Republic of Korea such aid as might be necessary to repel the attack and to restore international peace and security in the area. The representative of the Soviet Union to the Security Council stayed away from this meeting also, and the Soviet Government has refused to support the Council's resolution.

The vigorous and unhesitating actions of the United Nations and the United States in the face of this aggression met with an immediate and overwhelming response throughout the free world. The first blow of aggression had brought dismay and anxiety to the hearts of men the world over. The fateful events of the 1930's, when aggression unopposed bred more aggression and eventually war, were fresh in our memory.

But the free nations had learned the lesson of history. Their determined and united actions uplifted the spirit of free men everywhere. As a result, where there had been dismay there is hope; where there had been anxiety there is firm determination.

Fifty-two of the fifty-nine member nations have supported the United Nations action to restore peace in Korea.

A number of member nations have offered military support or other types of assistance for the United Nations action to repel the

aggressors in Korea. In a third resolution, passed on July 7th, the Security Council requested the United States to designate a commander for all the forces of the members of the United Nations in the Korean operation, and authorized these forces to fly the United Nations flag. In response to this resolution, General MacArthur has been designated as commander of these forces. These are important steps forward in the development of a United Nations system of collective security. Already, aircraft of two nations—Australia and Great Britain—and naval vessels of five nations—Australia, Canada, Great Britain, the Netherlands and New Zealand—have been made available for operations in the Korean area, along with forces of Korea and the United States, under General MacArthur's command. The other offers of assistance that have been and will continue to be made will be coordinated by the United Nations and by the unified command, in order to support the effort in Korea to maximum advantage.

All the members of the United Nations who have indorsed the action of the Security Council realize the significance of the step that has been taken. This united and resolute action to put down lawless aggression is a milestone toward the establishment of a rule of law among nations.

Only a few countries have failed to support the common action to restore the peace. The most important of these is the Soviet Union.

Since the Soviet representative had refused to participate in the meetings of the Security Council which took action regarding Korea, the United States brought the matter directly to the attention of the Soviet Government in Moscow. On June 27th, we requested the Soviet Government, in view of its known close relations with the north Korean regime, to use its influence to have the invaders withdraw at once.

The Soviet Government, in its reply on June 29th and in subsequent statements, has taken the position that the attack launched by the north Korean forces was provoked by the Republic of Korea, and that the actions of the United Nations Security Council were illegal.

These Soviet claims are flatly disproved by the facts.

The attitude of the Soviet Government toward the aggression against the Republic of Korea, is in direct contradiction to its often expressed intention to work with other nations to achieve peace in the world.

For our part, we shall continue to support the United Nations action to restore peace in the Korean area.

As the situation has developed, I have authorized a number of measures to be taken. Within the first week of the fighting, General MacArthur reported, after a visit to the front, that the forces from north Korea were continuing to drive south, and further support to the Republic of Korea was needed. Accordingly, General MacArthur was authorized to use United States Army troops in Korea, and to use United States aircraft of the Air Force and the Navy to conduct missions against specific military targets in Korea north of the thirty-eighth parallel, where necessary to carry out the United Nations resolution. General MacArthur was also directed to blockade the Korean coast.

The attacking forces from the north have continued to move forward, although their advance has been slowed down. The troops of the Republic of Korea, though initially overwhelmed by the tanks and artillery of the surprise attack by the invaders, have been reorganized and are fighting bravely.

United States forces, as they have arrived in the area, have fought with great valor. The Army troops have been conducting a very difficult delaying operation with skill

and determination, outnumbered many times over by attacking troops, spearheaded by tanks. Despite the bad weather of the rainy season, our troops have been valiantly supported by the air and naval forces of both the United States and other members of the United Nations.

In this connection, I think it is important that the nature of our military action in Korea be understood. It should be made perfectly clear that the action was undertaken as a matter of basic moral principle. The United States was going to the aid of a nation established and supported by the United Nations and unjustifiably attacked by an aggressor force. Consequently, we were not deterred by the relative immediate superiority of the attacking forces, by the fact that our base of supplies was 5,000 miles away, or by the further fact that we would have to supply our forces through port facilities that are far from satisfactory.

We are moving as rapidly as possible to bring to bear on the fighting front larger forces and heavier equipment, and to increase our naval and air superiority. But it will take time, men, and material to slow down the forces of aggression, bring those forces to a halt, and throw them back.

Nevertheless, our assistance to the Republic of Korea has prevented the invaders from crushing that nation in a few days—as they had evidently expected to do. We are determined to support the United Nations in its effort to restore peace and security to Korea, and its effort to assure the people of Korea an opportunity to choose their own form of government free from coercion, as expressed in the General Assembly resolutions of November 14, 1947, and December 12, 1948.

In addition to the direct military effort we and other members of the United Nations are making in Korea, the outbreak of aggression there requires us to consider its

implications for peace throughout the world. The attack upon the Republic of Korea makes it plain beyond all doubt that the international communist movement is prepared to use armed invasion to conquer independent nations. We must therefore recognize the possibility that armed aggression may take place in other areas.

In view of this, I have already directed that United States forces in support of the Philippines be strengthened, and that military assistance be speeded up to the Philippine Government and to the Associated States of Indo-China and to the forces of France in Indo-China. I have also ordered the United States Seventh Fleet to prevent any attack upon Formosa, and I have requested the Chinese Government on Formosa to cease all air and sea operations against the mainland. These steps were at once reported to the United Nations Security Council.

Our action in regard to Formosa was a matter of elementary security. The peace and stability of the Pacific area had been violently disturbed by the attack on Korea.

Attacks elsewhere in the Pacific area would have enlarged the Korean crisis, thereby rendering much more difficult the carrying out of our obligations to the United Nations in Korea.

In order that there may be no doubt in any quarter about our intentions regarding Formosa, I wish to state that the United States has no territorial ambitions whatever concerning that island, nor do we seek for ourselves any special position or privilege on Formosa. The present military neutralization of Formosa is without prejudice to political questions affecting that island. Our desire is that Formosa not become embroiled in hostilities disturbing to the peace of the Pacific and that all questions affecting Formosa be settled by peaceful means as envisaged in the Charter of the United Na-

tions. With peace re-established, even the most complex political questions are susceptible of solution. In the presence of brutal and unprovoked aggression, however, some of these questions may have to be held in abeyance in the interest of the essential security of all.

The outbreak of aggression in the Far East does not, of course, lessen, but instead increases, the importance of the common strength of the free nations in other parts of the world. The attack on the Republic of Korea gives added urgency to the efforts of the free nations to increase and to unify their common strength, in order to deter a potential aggressor.

To be able to accomplish this objective, the free nations must maintain a sufficient defensive military strength in being, and, even more important, a solid basis of economic strength, capable of rapid mobilization in the event of emergency.

The strong cooperative efforts that have been made by the United States and other free nations, since the end of World War II, to restore economic vitality to Europe and other parts of the world, and the cooperative efforts we have begun in order to increase the productive capacity of underdeveloped areas, are extremely important contributions to the growing economic strength of all the free nations, and will be of even greater importance in the future.

We have been increasing our common defensive strength under the treaty of Rio de Janeiro and the North Atlantic Treaty, which are collective security arrangements within the framework of the United Nations Charter. We have also taken action to bolster the military defenses of individual free nations, such as Greece, Turkey, and Iran.

The defenses of the North Atlantic Treaty area were considered a matter of great urgency by the North Atlantic Council in

London this spring. Recent events make it even more urgent than it was at that time to build and maintain these defenses.

Under all the circumstances, it is apparent that the United States is required to increase its military strength and preparedness not only to deal with the aggression in Korea but also to increase our common defense, with other free nations, against further aggression.

The increased strength which is needed falls into three categories.

In the first place, to meet the situation in Korea, we shall need to send additional men, equipment and supplies to General MacArthur's command as rapidly as possible.

In the second place, the world situation requires that we increase substantially the size and materiel support of our armed forces, over and above the increases which are needed in Korea.

In the third place, we must assist the free nations associated with us in common defense to augment their military strength.

Of the three categories I have just enumerated, the first two involve increases in our own military manpower, and in the material support that our men must have.

To meet the increased requirements for military manpower, I have authorized the Secretary of Defense to exceed the budgeted strength of military personnel for the Army, Navy, and Air Force, and to use the Selective Service system to such extent as may be required in order to obtain the increased strength which we must have. I have also authorized the Secretary of Defense to meet the need for military manpower by calling into active Federal service as many National Guard units and as many units and individuals of the Reserve forces of the Army, Navy, and Air Forces as may be required.

I have directed the Secretary of Defense and the Joint Chiefs of Staff to keep our military manpower needs under constant study, in order that further increases may be made

as required. There are now statutory limits on the sizes of the armed forces, and since we may need to exceed these limits, I recommend that they be removed.

To increase the level of our military strength will also require additional supplies and equipment. Procurement of many items has already been accelerated, in some cases for use in Korea, in others to replace reserve stocks which are now being sent to Korea, and in still others to add to our general level of preparedness. Further increases in procurement, resulting in a higher rate of production of military equipment and supplies, will be necessary.

The increases in the size of the armed forces, and the additional supplies and equipment which will be needed, will require additional appropriations. Within the next few days, I will transmit to the Congress specific requests for appropriations in the amount of approximately ten billion dollars.

These requests for appropriations will be addressed to the needs of our own military forces. Earlier, I referred to the fact that we must also assist other free nations in the strengthening of our common defenses. The action we must take to accomplish this is just as important as the measures required to strengthen our own forces.

The authorization bill for the Mutual Defense Assistance Program for 1951, now before the House of Representatives, is an important immediate step toward the strengthening of our collective security. It should be enacted without delay.

But it is now clear that the free nations of the world must step up their common security program. The other nations associated with us in the Mutual Defense Assistance Program, like ourselves, will need to divert additional economic resources to defense purposes. In order to enable the nations associated with us to make their maximum contribution to our common de-

fense, further assistance on our part will be required. Additional assistance may also be needed to increase the strength of certain other free nations whose security is vital to our own.

In the case of the North Atlantic area these requirements will reflect the consultations now going on with the other nations associated with us in the North Atlantic Treaty. As soon as it is possible to determine what each nation will need to do, I shall lay before the Congress a request for such funds as are shown to be necessary to the attainment and maintenance of our common strength at an adequate level.

The steps which we must take to support the United Nations action in Korea, and to increase our own strength and the common defense of the free world, will necessarily have repercussions upon our domestic economy.

Many of our young men are in battle now, or soon will be. Others must be trained. The equipment and supplies they need, and those required for adequate emergency reserves, must be produced. They must be available promptly, at reasonable cost, and without disrupting the efficient functioning of the economy.

We must continue to recognize that our strength is not to be measured in military terms alone. Our power to join in a common defense of peace rests fundamentally on the productive capacity and energies of our people. In all that we do, therefore, we must make sure that the economic strength which is at the base of our security is not impaired, but continues to grow.

Our economy has tremendous productive power. Our total output of goods and services is now running at an annual rate of nearly 270 billion dollars—over 100 billion dollars higher than in 1939. The rate is now about 13 billion dollars higher than a year ago, and about 8 billion dollars higher

than the previous record rate reached in 1948. All the foregoing figures have been adjusted for price changes, and are therefore a measure of actual output. The index of industrial production, now at 197, is 12 per cent higher than the average for last year, and 81 per cent higher than in 1939.

We now have 61½ million people in civilian employment. There are 16 million more people in productive jobs than there were in 1939. We are now producing 11 million more tons of steel a year than in the peak war year 1944. Electric power output has risen from 128 billion kilowatt hours in 1939, to 228 billion hours in 1944, to 317 billion hours now. Food production is about a third higher than it ever was before the war, and is practically as high as it was during the war years, when we were sending far more food abroad than we are now.

The potential productive power of our economy is even greater. We can achieve some immediate increase in production by employing men and facilities not now fully utilized. And we can continue to increase our total annual output each year, by putting to use the increasing skills of our growing population and the higher productive capacity which results from plant expansion, new inventions, and more efficient methods of production.

With this enormous economic strength, the new and necessary programs I am now recommending can be undertaken with confidence in the ability of our economy to bear the strains involved. Nevertheless, the magnitude of the demands for military purposes that are now foreseeable, in an economy which is already operating at a very high level, will require substantial redirection of economic resources.

Under the program for increasing military strength which I have outlined above, military and related procurement will need to be expanded at a more rapid rate than

total production can be expanded. Some materials were in short supply even before the Korean situation developed. The steel industry, for example, was operating at capacity levels, and even so was not able to satisfy all market demands. Some other construction materials, and certain other products, were also under pressure and their prices were rising—even before the outbreak in Korea.

The substantial speed-up of military procurement will intensify these shortages. Action must be taken to insure that these shortages do not interfere with or delay the materials and the supplies needed for the national defense.

Further, the dollars spent now for military purposes will have a magnified effect upon the economy as a whole, since they will be added to the high level of current civilian demand. These increased pressures, if neglected, could drive us into a general inflationary situation. The best evidence of this is the recent price advances in many raw materials and in the cost of living, even upon the mere expectancy of increased military outlays.

In these circumstances, we must take action to insure that the increased national defense needs will be met, and that in the process we do not bring on an inflation, with its resulting hardship for every family.

At the same time, we must recognize that it will be necessary for a number of years to support continuing defense expenditures, including assistance to other nations, at a higher level than we had previously planned. Therefore, the economic measures we take now must be planned and used in such a manner as to develop and maintain our economic strength for the long run as well as the short run.

I am recommending certain legislative measures to help achieve these objectives. I believe that each of them should be

promptly enacted. We must be sure to take the steps that are necessary now, or we shall surely be required to take much more drastic steps later on.

First, we should adopt such direct measures as are now necessary to assure prompt and adequate supplies of goods for military and essential civilian use. I therefore recommend that the Congress now enact legislation authorizing the Government to establish priorities and allocate materials as necessary to promote the national security; to limit the use of materials for non-essential purposes; to prevent inventory hoarding; and to requisition supplies and materials needed for the national defense, particularly excessive and unnecessary inventories.

Second, we must promptly adopt some general measures to compensate for the growth of demand caused by the expansion of military programs in a period of high civilian incomes. I am directing all executive agencies to conduct a detailed review of Government programs, for the purpose of modifying them wherever practicable to lessen the demand upon services, commodities, raw materials, manpower, and facilities which are in competition with those needed for national defense. The Government, as well as the public, must exercise great restraint in the use of those goods and services which are needed for our increased defense efforts.

Nevertheless, the increased appropriations for the Department of Defense, plus the defense-related appropriations which I have recently submitted for power development and atomic energy, and others which will be necessary for such purposes as stockpiling, will mean sharply increased Federal expenditures. For this reason, we should increase Federal revenues more sharply than I have previously recommended, in order to reduce the inflationary effect of the Gov-

ernment deficit.

There are two fundamental principles which must guide us in framing measures to obtain these additional revenues:

(A) We must make every effort to finance the greatest possible amount of needed expenditures by taxation. The increase of taxes is our basic weapon in offsetting the inflationary pressures exerted by enlarged government expenditures. Heavier taxes will make general controls less necessary.

(B) We must provide for a balanced system of taxation which makes a fair distribution of the tax burden among the different groups of individuals and business concerns in the Nation. A balanced tax program should also have as a major aim the elimination of profiteering.

At an appropriate time, as soon as the necessary studies are completed, I shall present to the Congress a program based on these principles to assure the financing of our needs in a manner which will be fair to all our citizens, which will help prevent inflation, and which will maintain the fiscal position of the Nation in the soundest possible condition.

As a further important safeguard against inflation, we shall need to restrain credit expansion. I recommend that the Congress now authorize the control of consumer credit and credit used for commodity speculation. In the housing field, where Government credit is an important factor, I have directed that certain available credit restraints be applied, and I recommend that further controls be authorized, particularly to restrain expansion of privately-financed real estate credit. These actions will not only reduce the upward pressure on prices, but will also reduce the demand for certain critical materials which are required for the production of military equipment.

Third, we must take steps to accelerate and increase the production of essential materials,

products, and services. I recommend, therefore, that the Congress authorize, for national defense purposes, production loan guarantees and loans to increase production. I also recommend that the Congress authorize the making of long-term contracts and other means to encourage the production of certain materials in short supply.

In the forthcoming Midyear Economic Report, I shall discuss in greater detail the current economic situation, and the economic measures which I have recommended. If these measures are made available promptly, and firmly administered, I believe we will be able to meet military needs without serious disruption of the economy.

If we are to be successful, there must be sensible and restrained action by businessmen, labor, farmers and consumers. The people of this country know the seriousness of inflation, and will, I am sure, do everything they can to see that it does not come upon us. However, if a sharp rise in prices should make it necessary, I shall not hesitate to recommend the more drastic measures of price control and rationing.

The hard facts of the present situation require relentless determination and firm action. The course of the fighting thus far in Korea shows that we can expect no easy solution to the conflict there. We are confronted in Korea with well-supplied, well-led forces which have been long trained for aggressive action. We and the other members of the United Nations who have joined in the effort to restore peace in Korea must expect a hard and costly military operation.

We must also prepare ourselves better to fulfill our responsibilities toward the preservation of international peace and security against possible further aggression. In this effort, we will not flinch in the face of danger or difficulty.

The free world has made it clear, through the United Nations, that lawless aggression

will be met with force. This is the significance of Korea—and it is a significance whose importance cannot be over-estimated.

I shall not attempt to predict the course of events. But I am sure that those who have it in their power to unleash or withhold acts of armed aggression must realize that new recourse to aggression in the world today might well strain to the breaking point the fabric of world peace.

The United States can be proud of the part it has played in the United Nations action in this crisis. We can be proud of the unhesitating support of the American people for the resolute actions taken to halt the aggression in Korea and to support the cause of world peace.

The Congress of the United States, by its strong, bi-partisan support of the steps we are taking and by repeated actions in support of international cooperation, has contributed most vitally to the cause of peace. The expressions of support which have been forthcoming from the leaders of both political parties for the actions of our Government and of the United Nations in dealing with the present crisis, have buttressed the firm morale of the entire free world in the face of this challenge.

The American people, together with other free peoples, seek a new era in world affairs. We seek a world where all men may live in peace and freedom, with steadily improving living conditions, under governments of their own free choice.

For ourselves, we seek no territory or domination over others. We are determined to maintain our democratic institutions so that Americans now and in the future can enjoy personal liberty, economic opportunity, and political equality. We are concerned with advancing our prosperity and our well-being as a Nation, but we know that our future is inseparably joined with the future of other free peoples.

We will follow the course we have chosen with courage and with faith, because we carry in our hearts the flame of freedom. We are fighting for liberty and for peace—and with God's blessing we shall succeed.

HARRY S. TRUMAN

NOTE: On July 24 the White House issued a release announcing supplemental estimates of appropriations for the Department of Defense for fiscal year 1951 amounting to \$10,486,976,000, and on August 4 the White House announced an additional estimate of supplemental appropriations of \$1,155,930,000

194 Radio and Television Address to the American People on the Situation in Korea. July 19, 1950

[Delivered from the White House at 10:30 p.m.]

My fellow citizens:

At noon today I sent a message to the Congress about the situation in Korea. I want to talk to you tonight about that situation, and about what it means to the security of the United States and to our hopes for peace in the world.

Korea is a small country, thousands of miles away, but what is happening there is important to every American.

On Sunday, June 25th, Communist forces attacked the Republic of Korea.

This attack has made it clear, beyond all doubt, that the international Communist movement is willing to use armed invasion to conquer independent nations. An act of aggression such as this creates a very real danger to the security of all free nations.

The attack upon Korea was an outright breach of the peace and a violation of the Charter of the United Nations. By their actions in Korea, Communist leaders have demonstrated their contempt for the basic moral principles on which the United Nations is founded. This is a direct challenge to the efforts of the free nations to build the kind of world in which men can live in freedom and peace.

This challenge has been presented squarely. We must meet it squarely.

It is important for all of us to understand the essential facts as to how the situation in

Korea came about.

Before and during World War II, Korea was subject to Japanese rule. When the fighting stopped, it was agreed that troops of the Soviet Union would accept the surrender of the Japanese soldiers in the northern part of Korea, and that American forces would accept the surrender of the Japanese in the southern part. For this purpose, the 38th parallel was used as the dividing line.

Later, the United Nations sought to establish Korea as a free and independent nation. A commission was sent out to supervise a free election in the whole of Korea. However, this election was held only in the southern part of the country, because the Soviet Union refused to permit an election for this purpose to be held in the northern part. Indeed, the Soviet authorities even refused to permit the United Nations Commission to visit northern Korea.

Nevertheless, the United Nations decided to go ahead where it could. In August 1948 the Republic of Korea was established as a free and independent nation in that part of Korea south of the 38th parallel.

In December 1948, the Soviet Union stated that it had withdrawn its troops from northern Korea and that a local government had been established there. However, the Communist authorities never have permitted the United Nations observers to visit northern

Korea to see what was going on behind that part of the Iron Curtain.

It was from that area, where the Communist authorities have been unwilling to let the outside world see what was going on, that the attack was launched against the Republic of Korea on June 25th. That attack came without provocation and without warning. It was an act of raw aggression, without a shadow of justification.

I repeat that it was an act of raw aggression. It had no justification whatever.

The Communist invasion was launched in great force, with planes, tanks, and artillery. The size of the attack, and the speed with which it was followed up, make it perfectly plain that it had been plotted long in advance.

As soon as word of the attack was received, Secretary of State Acheson called me at Independence, Mo., and informed me that, with my approval, he would ask for an immediate meeting of the United Nations Security Council. The Security Council met just 24 hours after the Communist invasion began.

One of the main reasons the Security Council was set up was to act in such cases as this—to stop outbreaks of aggression in a hurry before they develop into general conflicts. In this case the Council passed a resolution which called for the invaders of Korea to stop fighting, and to withdraw. The Council called on all members of the United Nations to help carry out this resolution. The Communist invaders ignored the action of the Security Council and kept right on with their attack.

The Security Council then met again. It recommended that members of the United Nations help the Republic of Korea repel the attack and help restore peace and security in that area.

Fifty-two of the 59 countries which are members of the United Nations have given their support to the action taken by the Se-

curity Council to restore peace in Korea.

These actions by the United Nations and its members are of great importance. The free nations have now made it clear that lawless aggression will be met with force. The free nations have learned the fateful lesson of the 1930's. That lesson is that aggression must be met firmly. Appeasement leads only to further aggression and ultimately to war.

The principal effort to help the Koreans preserve their independence, and to help the United Nations restore peace, has been made by the United States. We have sent land, sea, and air forces to assist in these operations. We have done this because we know that what is at stake here is nothing less than our own national security and the peace of the world.

So far, two other nations—Australia and Great Britain—have sent planes to Korea; and six other nations—Australia, Canada, France, Great Britain, the Netherlands, and New Zealand—have made naval forces available.

Under the flag of the United Nations a unified command has been established for all forces of the members of the United Nations fighting in Korea. Gen. Douglas MacArthur is the commander of this combined force.

The prompt action of the United Nations to put down lawless aggression, and the prompt response to this action by free peoples all over the world, will stand as a landmark in mankind's long search for a rule of law among nations.

Only a few countries have failed to indorse the efforts of the United Nations to stop the fighting in Korea. The most important of these is the Soviet Union. The Soviet Union has boycotted the meetings of the United Nations Security Council. It has refused to support the actions of the United Nations with respect to Korea.

The United States requested the Soviet Government, 2 days after the fighting started, to use its influence with the North Koreans to have them withdraw. The Soviet Government refused.

The Soviet Government has said many times that it wants peace in the world, but its attitude toward this act of aggression against the Republic of Korea is in direct contradiction of its statements.

For our part, we shall continue to support the United Nations action to restore peace in the world.

We know that it will take a hard, tough fight to halt the invasion, and to drive the Communists back. The invaders have been provided with enough equipment and supplies for a long campaign. They overwhelmed the lightly armed defense forces of the Korean Republic in the first few days and drove southward.

Now, however, the Korean defenders have reorganized and are making a brave fight for their liberty, and an increasing number of American troops have joined them. Our forces have fought a skillful, rearguard delaying action, pending the arrival of reinforcements. Some of these reinforcements are now arriving; others are on the way from the United States.

I should like to read you a part of a report I have received from General Collins, Chief of Staff of the United States Army. General Collins and General Vandenberg, Chief of Staff of the Air Force, have just returned from an inspection trip to Korea and Japan.

This is what General Collins had to say:

"The United States Armed Forces in Korea are giving a splendid account of themselves.

"Our Far Eastern forces were organized and equipped primarily to perform peaceful occupation duties in Japan. However, under General MacArthur's magnificent leadership, they have quickly adapted them-

selves to meet the deliberately planned attack of the North Korean Communist forces, which are well-equipped, well-led, and battle-trained, and which have at times outnumbered our troops by as much as 20 to 1.

"Our Army troops, ably supported by tactical aircraft of the United States Air Force and Navy and our Australian friends, flying under the most adverse conditions of weather, have already distinguished themselves in the most difficult of military operations—a delaying action. The fact that they are preventing the Communists from overrunning Korea—which this calculated attack had been designed to accomplish—is a splendid tribute to the ability of our Armed Forces to convert quickly from the peaceful duties of occupation to the grim duties of war.

"The task that confronts us is not an easy one, but I am confident of the outcome."

I shall also read to you part of a report that I received from General MacArthur within the last few hours.

General MacArthur says:

"It is, of course, impossible to predict with any degree of accuracy the future incidents of a military campaign. Over a broad front involving continuous local struggles, there are bound to be ups and downs, losses as well as successes. . . . But the issue of battle is now fully joined and will proceed along lines of action in which we will not be without choice. Our hold upon the southern part of Korea represents a secure base. Our casualties, despite overwhelming odds, have been relatively light. Our strength will continually increase while that of the enemy will relatively decrease. His supply line is insecure. He has had his great chance and failed to exploit it. We are now in Korea in force, and with God's help we are there to stay until the constitutional authority of the Republic of Korea is fully restored."

These and other reports I have received

show that our Armed Forces are acting with close teamwork and efficiency to meet the problems facing us in Korea.

These reports are reassuring, but they also show that the job ahead of us in Korea is long and difficult.

Furthermore, the fact that Communist forces have invaded Korea is a warning that there may be similar acts of aggression in other parts of the world. The free nations must be on their guard, more than ever before, against this kind of sneak attack.

It is obvious that we must increase our military strength and preparedness immediately. There are three things we need to do.

First, we need to send more men, equipment, and supplies to General MacArthur.

Second, in view of the world situation, we need to build up our own Army, Navy, and Air Force over and above what is needed in Korea.

Third, we need to speed up our work with other countries in strengthening our common defenses.

To help meet these needs, I have already authorized increases in the size of our Armed Forces. These increases will come in part from volunteers, in part from Selective Service, and in part from the National Guard and the Reserves.

I have also ordered that military supplies and equipment be obtained at a faster rate.

The necessary increases in the size of our Armed Forces, and the additional equipment they must have, will cost about \$10 billion, and I am asking the Congress to appropriate the amount required.

These funds will be used to train men and equip them with tanks, planes, guns, and ships, in order to build the strength we need to help assure peace in the world.

When we have worked out with other free countries an increased program for our common defense, I shall recommend to the Congress that additional funds be provided

for this purpose. This is of great importance. The free nations face a worldwide threat. It must be met with a worldwide defense. The United States and other free nations can multiply their strength by joining with one another in a common effort to provide this defense. This is our best hope for peace.

The things we need to do to build up our military defense will require considerable adjustment in our domestic economy. We have a tremendously rich and productive economy, and it is expanding every year.

Our job now is to divert to defense purposes more of that tremendous productive capacity—more steel, more aluminum, more of a good many things.

Some of the additional production for military purposes can come from making fuller use of plants which are not operating at capacity. But many of our industries are already going full tilt, and until we can add new capacity, some of the resources we need for the national defense will have to be taken from civilian uses.

This requires us to take certain steps to make sure that we obtain the things we need for national defense, and at the same time guard against inflationary price rises.

The steps that are needed now must be taken promptly.

In the message which I sent to the Congress today, I described the economic measures which are required at this time.

First, we need laws which will insure prompt and adequate supplies for military and essential civilian use. I have therefore recommended that the Congress give the Government power to guide the flow of materials into essential uses, to restrict their use for nonessential purposes, and to prevent the accumulation of unnecessary inventories.

Second, we must adopt measures to prevent inflation and to keep our Government in a sound financial condition. One of the

major causes of inflation is the excessive use of credit. I have recommended that the Congress authorize the Government to set limits on installment buying and to curb speculation in agricultural commodities. In the housing field, where Government credit is an important factor, I have already directed that credit restraints be applied, and I have recommended that the Congress authorize further controls.

As an additional safeguard against inflation, and to help finance our defense needs, it will be necessary to make substantial increases in taxes. This is a contribution to our national security that every one of us should stand ready to make. As soon as a balanced and fair tax program can be worked out, I shall lay it before the Congress. This tax program will have as a major aim the elimination of profiteering.

Third, we should increase the production of goods needed for national defense. We must plan to enlarge our defense production, not just for the immediate future, but for the next several years. This will be primarily a task for our businessmen and workers. However, to help obtain the necessary increases, the Government should be authorized to provide certain types of financial assistance to private industry to increase defense production.

Our military needs are large, and to meet them will require hard work and steady effort. I know that we can produce what we need if each of us does his part—each man, each woman, each soldier, each civilian. This is a time for all of us to pitch in and work together.

I have been sorry to hear that some people have fallen victim to rumors in the last week or two, and have been buying up various things they have heard would be scarce. That is foolish—I say that is foolish, and it is selfish, very selfish, because hoarding results in entirely unnecessary local shortages.

Hoarding food is especially foolish. There is plenty of food in this country. I have read that there have been runs on sugar in some cities. That is perfectly ridiculous. We now have more sugar available than ever before. There are ample supplies of our other basic foods also.

Now, I sincerely hope that every American housewife will keep this in mind when she does her daily shopping.

If I had thought that we were actually threatened by shortages of essential consumer goods, I should have recommended that price control and rationing be immediately instituted. But there is no such threat. We have to fear only those shortages which we ourselves artificially create.

Every businessman who is trying to profiteer in time of national danger—and every person who is selfishly trying to get more than his neighbor—is doing just exactly the thing that any enemy of this country would want him to do.

If prices should rise unduly because of excessive buying or speculation, I know our people will want the Government to take action, and I will not hesitate to recommend rationing and price control.

We have the resources to meet our needs. Far more important, the American people are unified in their belief in democratic freedom. We are united in detesting Communist slavery.

We know that the cost of freedom is high. But we are determined to preserve our freedom—no matter what the cost.

I know that our people are willing to do their part to support our soldiers and sailors and airmen who are fighting in Korea. I know that our fighting men can count on each and every one of you.

Our country stands before the world as an example of how free men, under God, can build a community of neighbors, working together for the good of all.

That is the goal we seek not only for ourselves, but for all people. We believe that freedom and peace are essential if men are to live as our Creator intended us to live. It is this faith that has guided us in the past, and it is this faith that will fortify us in the stern days ahead.

NOTE: Following is the full text of the message from General Douglas MacArthur which the President quoted in his address. The message was released by the White House on July 20.

The President

The White House

The following is my current estimate of the Korean situation:

With the deployment in Korea of major elements of the 8th Army now accomplished, the first phase of the campaign has ended and with it the chance for victory by the North Korean forces. The enemy's plan and great opportunity depended upon the speed with which he could overrun South Korea once he had breached the Han River line and with overwhelming numbers and superior weapons temporarily shattered South Korean resistance. This chance he has now lost through the extraordinary speed with which the 8th Army has been deployed from Japan to stem his rush. When he crashed the Han Line the way seemed entirely open and victory was within his grasp.

The desperate decision to throw in piecemeal American elements as they arrived by every available means of transport from Japan was the only hope to save the situation. The skill and valor thereafter displayed in successive holding actions by the ground forces in accordance with this concept, brilliantly supported in complete coordination

by Air and Naval elements, forced the enemy into continued deployments, costly frontal attacks and confused logistics, which so slowed his advance and blunted his drive that we have bought the precious time necessary to build a secure base.

I do not believe that history records a comparable operation which excelled the speed and precision with which the 8th Army, the Far East Air Force and the Seventh Fleet have been deployed to a distant land for immediate commitment to major operations. It merits highest commendation for the commanders, staffs and units concerned and attests to their superior training and high state of readiness to meet any eventuality. This finds added emphasis in the fact that the Far East Command, until the President's great pronouncement to support the epochal action of the United Nations, had no slightest responsibility for the defense of the Free Republic of Korea. With the President's decision it assumed a completely new and added mission.

It is, of course, impossible to predict with any degree of accuracy future incidents of a military campaign. Over a broad front involving continuous local struggles, there are bound to be ups and downs, losses as well as successes. Our final stabilization line will unquestionably be rectified and tactical improvement will involve planned withdrawals as well as local advances. But the issue of battle is now fully joined and will proceed along lines of action in which we will not be without choice. Our hold upon the Southern part of Korea represents a secure base. Our casualties despite overwhelming odds have been relatively light. Our strength will continually increase while that of the enemy will relatively decrease. His supply line is insecure. He has had his great chance but failed to exploit it. We are now in Korea in force, and with God's help we are there to stay until the constitutional authority of the Republic is fully restored.

MACARTHUR

195 Statement by the President on the Appointment of Charles M. Spofford as Deputy U.S. Representative to the North Atlantic Council. *July 20, 1950*

MR. Charles M. Spofford, whom I have appointed Deputy U.S. Representative, North Atlantic Council, will leave for London shortly to assume his duties. The Secretary of State and I have discussed with him the nature of the tasks which lie ahead of the North Atlantic Treaty Organization.

The North Atlantic Council, in its meeting during May, stressed the urgency of

building the defenses of the North Atlantic area. As I indicated in my message to the Congress on Wednesday, we cannot safely ignore the possibility of aggression in other parts of the world besides the Far East, and it is even more urgent now than it was in May to strengthen the collective defense of the North Atlantic area.

Through the Council of Deputies, which

will convene in London next week and on which Mr. Spofford will represent the United States, our Government will be in continuous contact with the other North Atlantic Treaty nations in a common effort to speed the measures necessary for our collective security. Mr. Spofford's job is vitally

important in this common effort, and I wish him success as he leaves to assume his responsibilities.

I am pleased to announce that Mr. John Sherman Cooper will accompany Mr. Spofford to the initial meetings of the deputies as a special adviser.

196 Letter to Agency Heads Directing a Review of Government Programs. July 21, 1950

My dear Mr. ———:

In my message of July 19 to the Congress, I announced that I was directing the executive agencies

"... to conduct a detailed review of Government programs, for the purpose of modifying them wherever practicable to lessen the demand upon services, commodities, raw materials, manpower, and facilities which are in competition with those needed for national defense. The Government, as well as the public, must exercise great restraint in the use of those goods and services which are needed for our increased defense efforts."

In order to adjust the programs of the Federal Government, I am writing to you and the heads of the other agencies whose programs involve substantial use of materials and other resources needed for the defense effort. Please reexamine your programs, giving particular attention, to the extent applicable, to the following:

(1) All civil public works, both direct Federal programs and grant-in-aid programs, should be screened with the objective, as far as practical, deferring, curtailing, or slowing down those projects which do not directly contribute to defense or to civilian requirements essential in the changed international situation set forth in my message.

(2) Consistent with the restrictive policy

already in force for housing credit, other credit programs should be tightened. The only exceptions should be those which directly contribute to meeting our defense and international responsibilities.

(3) Procurement of supplies and equipment should be held to minimum amounts, especially purchases of motor vehicles, typewriters, and other equipment using critical materials. Inventories should be reduced to the lowest practical levels, and excess supplies and equipment should be made available immediately to the General Services Administration.

In addition, I shall expect that in the reexamination of the programs of your agency, you will give first priority to those activities which contribute directly to national defense, including requests of other agencies for assistance.

I am asking the Director of the Bureau of the Budget to work closely with you in this review and to report to me on the steps which you have taken in revising your program to meet these objectives.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the heads of the following departments and agencies: the Department of Agriculture, the Department of the Army, the Department of Commerce, the Department of the Interior, the Department of Justice,

the Department of Labor, the Post Office Department, the Department of State, the Department of the Treasury, the Federal Security Agency, the General

Services Administration, the Reconstruction Finance Corporation, the Tennessee Valley Authority, and the Veterans Administration.

197 Message to Dr. Daniel A. Poling, President of the World's Christian Endeavor Union. *July 21, 1950*

The eleventh World's Christian Endeavor Convention meets at a time of world crisis but equally of world opportunity. Now as never before the moral and religious forces of the world must and will unite in defense of all the freedoms and to achieve an enduring peace.

Christian Endeavor with its four million members in more than fifty countries is interracial, international, and interdenominational. It knows no lines of color, it preaches and practices the gospel of brotherhood and good will. Against atheistic communism it has a clear call to the world's youth.

The United States is pledging blood and treasure in support of the United Nations.

Now in the defense of South Korea we join with other free nations not only to defend our own liberty but to help make the world secure against evil aggression.

God bless you and your associates in these fateful days.

HARRY S. TRUMAN

[Dr. Daniel A. Poling, President, World's Christian Endeavor Union, Russell Hotel, Russell Square, London, England]

NOTE: In his reply, dated July 27, Dr. Poling stated that the 11th convention of the World's Christian Endeavor Union, meeting in London, had received the President's message with appreciation and profound gratitude. "Moved by your prompt support of the United Nations," he added, "we pledge our constant prayers, our unfaltering faith, and all dedicated efforts to this sublime task in which the free world unites."

198 Statement by the President on the Death of Mackenzie King. *July 23, 1950*

NEWS of the death of Mr. Mackenzie King, so long the leader in Canadian public life and a commanding figure in world affairs, will bring sorrow to his legion of friends in the United States among whom I was privileged to be numbered. His tenure as Prime Minister of Canada—exceeding 21 years—was not only the longest in the history of the British Commonwealth, it was as distinguished as it was extended. He brought his country to a new stature of greatness. His passing marks the close of an epoch in the life of our neighbor to the north.

In the recurring international conferences growing out of two world wars he exercised an ever increasing influence. In him freedom loving peoples and democratic institutions found an unwavering champion.

Happily relations between his country and our own grew ever closer as our two peoples recognized their mutual interest and made common cause on the side of freedom in the conflict between democracy and dictatorship which rent the world through most of the troubled years of Mr. King's long public service.

199 Statement by the President on Reporting Information
Relating to Espionage, Sabotage, and Subversive
Activities. *July 24, 1950*

ON September 6, 1939, and January 8, 1943, a Presidential directive was issued providing that the Federal Bureau of Investigation of the Department of Justice should take charge of investigative work in matters relating to espionage, sabotage, subversive activities, and related matters. It was pointed out that the investigations must be conducted in a comprehensive manner on a national basis and all information carefully sifted out and correlated in order to avoid confusion. I should like to again call the attention of all enforcement officers, both Federal and State, to the request that they report all information in the above enumerated fields

promptly to the nearest field representative of the Federal Bureau of Investigation, which is charged with the responsibility of correlating this material and referring matters which are under the jurisdiction of any other Federal agency with responsibilities in this field to the appropriate agency.

I suggest that all patriotic organizations and individuals likewise report all such information relating to espionage, sabotage, and subversive activities to the Federal Bureau of Investigation in this same manner.

NOTE: The directive of September 6, 1939, is printed in "The Public Papers and Addresses of Franklin D. Roosevelt," edited by Judge Samuel I. Rosenman (1939 vol., p. 478).

200 Letter to the Chairman, Senate Committee on Finance,
on the Need for an Increase in Taxes. *July 25, 1950*

My dear Mr. Chairman:

The increased military appropriation requests transmitted to the Congress on July 24, 1950, together with other requests I shall transmit at a later date, will entail sharply increased Federal expenditures. We embark on these enlarged expenditures at a time when the Federal budget is already out of balance. This makes it imperative that we increase tax revenues promptly lest a growing deficit create new inflationary forces detrimental to our defense effort.

We must make every effort to finance the greatest possible amount of needed expenditures by taxation, and we must design taxation methods which prevent profiteering and distribute the tax burden fairly among the different groups of our people.

I appreciate that the development of a comprehensive revenue program adequate

for our present needs will require careful Congressional consideration. Our wartime experience will need to be reviewed and alternative approaches explored. Under the most auspicious circumstances, such a comprehensive tax program could not be completed for some time.

In the present situation, however, speed is of the essence and delay would be costly.

I recommend that, as an interim revenue measure, action should be taken immediately to revise and enact the tax bill now pending before your Committee, so as to increase tax collections substantially for the taxable year 1950. Specifically, I suggest that the revenue-raising provisions of the pending bill be retained and supplemented by increases in the corporate and individual income tax rates. This could be done without interfering in any way with the development of a

more comprehensive revenue program as soon as practicable.

Three adjustments would be required in the pending bill:

First, to eliminate the excise tax reductions and other revenue-losing provisions, but retain the loophole-closing, dividend withholding, and life insurance company provisions.

Second, to adjust the revised corporate rate structure contained in the pending bill by increasing the normal corporate rate from 21 to 25 percent. Taking into account the 20 percent surtax contained in the present bill, and the \$25,000 exemption from surtax, this would result in a 25 percent tax on the first \$25,000 of a corporation's income, and a 45 percent tax on the balance.

Third, to increase individual income tax rates to the "tentative" levels adopted in 1945, by removing the reductions from those levels made in 1945 and 1948. This would leave unchanged the income-splitting provisions of present law, and the present personal exemptions of \$600 per person. These rate schedules are familiar to the Congress, since they were involved in the consideration of the tax reductions adopted in 1945 and 1948.

The increased corporate income tax rates should be made applicable beginning with 1950 corporation incomes, as the pending bill would do. With respect to individual income taxes, the increased rates should be applicable beginning with one-quarter of each taxpayer's 1950 income. This would require an increase in the withholding rate from the present 15 percent to 18 percent, beginning with the last quarter of 1950.

These adjustments in the pending tax bill would increase the Government's revenue, on a full year basis, by about \$5 billion at present income levels. Clearly, this will not meet our long-run revenue requirements. As an interim step, however, it will have a

timely effect on tax revenues and our financial preparedness. It will serve to restrain inflationary forces generated by increased defense expenditures. Without this action, we would face very substantial deficits before any additional taxes could begin to be collected.

In addition to increasing revenues, enactment of the revenue legislation I am recommending would improve the soundness of our tax system. The loophole-closing provisions of the pending bill will strengthen the tax structure and make it more equitable. This is particularly desirable in view of the higher tax rates in prospect, which would surely increase the incentive to exploit present tax loopholes. Moreover, the corporate income tax structure will be substantially improved by eliminating the present "notch" rate, which bears heavily on smaller corporations. This will moderate the effect of increased rates on business incentives.

I believe that prompt interim legislation along these lines will provide tangible evidence of our determination to conduct our national finances in a sound manner, consistent with the national effort we are required to make. It will also be a major step toward preventing inflation during the time necessary to develop a carefully balanced tax program suited to our longer-range requirements. I expect to transmit further recommendations to the Congress concerning a more comprehensive tax program when we have additional information on the extent of our needs.

I am grateful for your cooperation in working out arrangements for the prompt consideration of these interim proposals. I earnestly hope that they will be favorably acted upon by the Congress at an early date.

I am sending a copy of this letter to the Chairman of the Ways and Means Committee of the House of Representatives, who,

as you know, participated in working out the procedure for prompt action recommended in this letter.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Walter F. George, Chairman, Committee on Finance of the United States Senate, Washington, D.C.]

NOTE: On September 23, 1950, the President signed the Revenue Act of 1950 (64 Stat. 906).

201 Statement by the President Upon Signing Bill Continuing the Military Aid Program. *July 26, 1950*

I HAVE today signed S. 3809, the act which will enable our country to continue military aid to certain free nations of the world.

The overwhelming support for this act among the Members of Congress is a further mark of the unity of purpose of the American people in support of the foreign policy of the United States. Such support serves to remind those bent on aggression that they dare not count on a division of opinion among our people to help them gain their evil ends.

We are today engaged in a serious undertaking in the Far East—carrying out our responsibility as a member of the United Nations. Side by side with us, under the flag of the United Nations, stand other members of the United Nations who have joined to put down the raw aggression which would deprive the people of the Republic of Korea of their freedom.

This spectacular breach of the peace does not lessen our concern in those other places in the world where aggression would likewise affect the collective security of the free nations.

We are bound by a solemn pledge to regard an attack on any of the members of the North Atlantic Treaty as an attack on us. This pledge recognizes that the fate of the United States and that of Western Europe are bound together. The act signed today is a further step toward the common goal of

the North Atlantic Treaty nations. Our goal is to create the kind of strength which will deter potential aggressors from attacking so formidable and united a group, and to defeat aggression, should it come.

This act will permit the United States to make a significant contribution to that goal by providing some of the equipment and materials which our European partners urgently need in building up the strength they require. What we provide will be used, under the recent determination of the North Atlantic Council, to equip balanced collective forces of the North Atlantic Treaty nations which are now being created.

In Greece, in Turkey, and in Iran, this act will permit us to continue to help keep those bastions strong and determined—free of alien influence, and free to grow and develop in their own way.

The act also authorizes military assistance to Asia and the Far East, in parts of which direct conflict is now going on.

The military assistance authorized by this act, the economic assistance and the other foreign aid measures we have undertaken—indeed, our entire foreign policy—recognize one central fact—that today the freedom-loving nations are determined to stand together to preserve their freedom.

NOTE: As enacted, S. 3809 is Public Law 621, 81st Congress (64 Stat. 373).

202 Special Message to the Congress: The President's
Midyear Economic Report. *July 26, 1950**To the Congress of the United States:*

Recent international events make it more important now than ever before that we maintain and expand our strength on the home front. For the sinews of all our strength, everywhere in the world, are found in what we achieve here at home. We must make full use of our great productive resources, our ever-improving industrial and scientific techniques, and our growing labor force. We must redirect a part of these resources to the task of resisting aggression. And in doing this, we must not let inflation undermine our efforts.

The world responsibilities of the United States have become heavy. Clearly, they will become still heavier before the united efforts of the free nations of the world produce a lasting peace. The American people know how much is at stake. They are prepared to shoulder their tasks without flinching.

The facts should warn us equally against easy indifference and sensational alarm. This is not the time for business as usual. We are not now living under peaceful world conditions. But neither are we engaged in a general or widespread war. We are in a situation between these opposite extremes, and economic policy should be guided accordingly. It is urgent to make some shifts in economic policy now. We must also speed up our preparation now to take more drastic action later if it should become necessary to do so.

Economic policy, to the best of our ability and foresight, should proceed in line with our appraisal of the developing situation. While it should not lag behind, it should not run blindly ahead.

The international policy of the United

States is directed toward averting a full-scale war. We are following the only course open to a free and strong nation in the face of the challenge confronting us. We are acting together with other free peoples, through the United Nations, to put down the aggression in Korea, and to build the combined strength needed to deter aggression elsewhere.

The response of the whole Nation to developments in the Far East has already provided an overwhelming demonstration of unity in the conduct of our international policy. This has lifted the spirits of our friends all over the world. In these difficult times, there is the same need for unity on the economic front here at home. If our economy should fail to realize its full potential, our international strength and our domestic strength would both be affected. We cannot afford division on the home front, when some of our young men are fighting overseas. We cannot afford an economy which performs below its best, when nothing but the best will assure the triumph of freedom and of right.

This unity in our economic affairs is attainable. We have gathered a wealth of practical experience about how our economy works, and about what promotes its strength and progress. Five years after the greatest of all wars, and even before the events of last month, we had reached the highest levels of peacetime production and employment ever known. We had passed through a period of inflation and conquered a postwar recession without permitting it to deepen into a depression. Based upon this record, those who work in private enterprise and those who work in Government—of both political parties—have reached agreement

upon many national economic policies. This is far more important than some of the surface disagreements.

We must expand the area of agreement in the trying times ahead. And trying times they will be. We must enlarge our military outlays and related programs, when we had hoped to be able to reduce them further. We must realize that the engagement in Korea will be costly and may not be short. We must prepare against the possibility that other crises may arise elsewhere. We must continue to recognize that both economic and military aid will be required for the further strengthening of the free peoples of the world.

All of this means new problems for our economy—soluble problems, but not easy ones.

Our economy has the human and material resources to do the job ahead—if we achieve the unity which will enable us to do our best.

Strong evidence of the power of the United States economy is contained in the record of its performance during the first half of this year. That record is summarized at the end of this Economic Report, and is detailed in the accompanying report of the Council of Economic Advisers, "The Economic Situation at Midyear 1950."

Viewed in its entirety, the economy at midyear 1950 had made a remarkable recovery from the moderate recession of 1949. New records of peacetime production, employment, and real incomes were reached. Reasonable balance of prices had been achieved. The outlook in mid-June was for stability and new growth on a sound basis. Toward the end of June, however, the Korean outbreak brought rapid changes. The necessity for large new public outlays began to have both economic and psychological impacts. Many important prices commenced to rise rapidly. New private and

public policies are needed quickly to deal with these new developments.

EXPANDING PRODUCTION AND SUPPLY

The productive strength of the American economy is basic to our domestic well-being and our international security. Under current conditions, we face a twofold task: first, to get as much total production as we can; and second, to emphasize the right kind of production and the best utilization of the product.

The more successful we are in this twofold task, the less difficult it will be to meet promptly the increased military demand for goods and services, both for ourselves and for the free nations associated with us—without impairing the civilian economy or weakening the industrial potential upon which our military potential depends.

Increased production of the right kind of goods will lessen inflationary strains. If we allow inflation to develop by failing to take adequate measures, it will cost more to meet our military requirements, and it will be more difficult to maintain the smooth functioning of the economic machine and the high civilian efficiency and morale which are foundations of our military strength.

In the emergency created by World War II, we were forced to enlarge our military strength until it absorbed almost one-half of the output of the economy. This built up such extensive inflationary pressures as to require all-inclusive controls. In the more limited current situation, we should be able with more limited measures to meet our military requirements and at the same time to avoid inflation. This does not mean that we can meet our enlarged international obligations without some sacrifice of domestic consumption. Some sacrifice is called for, and I am confident that the American people are ready to do their part. But in de-

termining sound policy at this time, we should measure the requirements of the present world situation against the recent growth and productive power of our economy, and its capacity for further growth.

Our total output of goods and services, measured in constant dollars (1949 price level), was about 151 billion in 1929. By 1939, it was about 160 billion. In 1946, the first full year after the war, it was about 248 billion. Two years later, in 1948, it was about 256 billion. Despite the moderate recession in 1949, our total output is now running at an annual rate of about 267 billion dollars. This rate is about 13 billion dollars higher than a year ago, and about 8 billion higher than in the peak quarter of 1948. It is more than 100 billion dollars higher than in 1939. All of these figures are stated in terms of the 1949 price level, and therefore reflect real changes.

The index of industrial production was 110 in 1929, and about the same in 1939. In 1946, the first full year after the war, the index was 170. At the middle of this year, it had risen to 199, higher than ever before in peacetime and 23 points higher than the average for last year.

Civilian employment averaged 47½ million in 1929, and 45½ million in 1939. It averaged 59½ million in 1948, declined to 58½ million in 1949, and mounted to almost 61½ million in June 1950.

An even more vivid illustration of the expanding strength of our economy is afforded by these specific items:

Steel production in 1929 was 63 million tons, and in 1939 it was 53 million. During the war year 1944, it rose to a peak of 90 million. The annual rate at the end of June 1950 was more than 100 million, an all-time record.

Aluminum production was 114 thousand tons in 1929, and 164 thousand in 1939. The current annual rate is 743 thousand,

which is about 10 percent higher than a year ago or two years ago, and almost as high as the record output of 776 thousand in the war year 1944.

Electric power output rose from 92 billion kilowatt hours in 1929 to 128 billion in 1939, and to 228 billion in the war year 1944. It has expanded each year since the war, and now stands at an annual rate of 317 billion.

We produced about a billion barrels of crude petroleum in 1929, and more than 1¼ billion in 1939. This rose to more than 1.6 billion in the war year 1944. The figure now is well above that, at an annual rate of about 1.9 billion.

The index of food production, which was 97 in 1929 and 106 in 1939, rose to 140 during the war, when we were feeding millions all over the world. It now stands at about 139.

These indications of our growing resources are not adjusted for increases in population. In many cases, of course, our total output is a more important measure of our economic strength than output per capita. But even allowing for population increases, output per capita and standards of living are very much higher than before the war. For example, civilian food consumption per capita in 1950 is estimated at about 11 percent above the 1935-39 average; and industrial production is about 65 percent greater on a per capita basis.

Still another measure of our growing productive power is output per man-hour. Using 1929 as the base year, it is estimated that the index of total output per man-hour for the American economy as a whole was about 125 in 1939. During and since the war, there have been great gains in productivity, and for the first half of 1950 the best preliminary estimates indicate that the index has risen above 165.

Agriculture as well as industry has participated in these productivity gains. Farm

output per worker has been about 43 percent higher during the last four years than in the four years immediately prior to World War II.

These record levels of production and productivity make us better able to perform the new and harder tasks ahead. It is sometimes said that, since there was a "slack" in the economy when World War II started which does not exist now, we could then undertake a greater expansion more easily than we can now carry forward a smaller expansion. It is true that we are now utilizing to the limit some plant capacities and some other facilities for production and distribution. Consequently, the increasing military demand will necessitate measures to restrict less essential uses in order to maintain military supply; and measures in some cases are needed to increase the total supply of vital materials. It is also true that any given amount of increased military outlays and procurement will produce inflationary pressures much more rapidly than if existing capacities and facilities were not already being so fully utilized. But clearly, our economy is far more able to satisfy the additional requirements now to be imposed upon it than if it had not already risen to such high levels of fundamental productive capacity.

For example, an economy is stronger for whatever tasks lie ahead, when it is actually producing more than 100 million tons of steel a year, although this involves full utilization of its capacity, than it would be if it were producing 85 million tons of steel but had unused capacity of 5 million tons. It is easier to divert part of the steel which is now being produced to new purposes, than it would be to build the plants required to lift capacity from 90 million tons to 100 million. Likewise, an economy which is employing 61½ million civilian workers, with less than 3½ million unemployed, is stronger

for whatever tasks may lie ahead than if it were employing only 58 million workers and had about 7 million unemployed. It is easier to divert the production of skilled workers to new purposes, or even to put them on new jobs, than it would be to train millions of workers whose skills had been lost through years of enforced idleness. These examples apply to other sectors of the economy as well.

Furthermore, while the business recovery has been pronounced since a year ago, there is still some slack in the economy as a whole. We have not yet reached maximum employment and production. Even with existing capacities, it is estimated that total industrial output could now be increased by some 5 percent or possibly more, and this would lift the index of industrial production from 199 to nearly 210. Unemployment, which now stands at less than 3½ million, could be reduced by 1 to 2 million—that is, to a level of about 2½ to 1½ million—without serious strain upon the labor force. There were times during the last war when civilian unemployment was less than 1 million. There are also many part-time workers available for full-time jobs. Even without an unusual increase in the labor force or in hours of work, the present material and human resources of our economy are sufficient to lift total production by the end of this year to an annual rate about 8 to 10 billion dollars above the current rate. This would result in an annual output rate, at the end of this year, of well over 275 billion dollars (measured in current prices).

Most important of all, even when we shall have taken up the present slack in the economy, we shall not have reached the longer-range limits of our total productive potential. National output per man-hour has in the long run increased about 2 to 2½ percent a year, and total output, which reflects also population growth, has increased over 3 per-

cent a year. With the enormous improvements in plant and technology already accomplished, this rate of increase should be equaled or even exceeded in the years immediately ahead. This means that, with maximum employment and production achieved and then maintained in a growing economy, it will be well within our reach to increase our total annual output in real terms by 9 to 10 billion dollars in 1951 and correspondingly in succeeding years.

This appraisal of our general productive strength is significant, but it does not cover the whole situation with which we now must deal. The specific requirements of our enlarged military effort cannot be spread over the whole economy. Instead, they will fall most heavily upon certain sectors, and our expansion of production can only partly be concentrated within these specific sectors. In many of these sectors, moreover, shortages and price increases were apparent even before the developments in Korea. These shortages have become more critical during the past month. They must be dealt with promptly, not only to support the military effort but also because if they are allowed to get out of hand they will increase the dangers of general inflation.

The steel industry has been operating above rated capacity almost continuously since April, and an increase in the military use of steel under the program which I have recommended will further increase the strain on supplies. Copper has been in such short supply that demand has exceeded output, and domestic stocks have been dwindling. Aluminum production is now going forward at 100 percent of capacity, and is booked solid for six months ahead. And the stepped-up military and stockpiling program will add to demand.

These shortages, and some others in strategic areas, have been reflected in the price structure. During the first half of this year,

before the Korean situation, wholesale price increases were generally moderate. But there were sharp increases in the prices of lumber, copper, zinc, scrap steel, and rubber. For example, since January, the price of copper has risen about 22 percent and the price of zinc about 50 percent. During the past four weeks rubber prices have risen about 45 percent, tin about 17 percent, print cloth about 22 percent, and wool tops about 10 percent. The daily spot index of 28 commodities has risen from a level of 264 on June 23, prior to the Korean outbreak, to 290.7 on July 20, a rise of 10 percent in four weeks.

In the interests of the military effort, action is needed now to direct the use of some commodities essential to the national defense, and in some cases to increase the output. This is necessary also to reduce inflationary pressures.

Thus we are faced with an over-all economic situation which is essentially strong although threatened by considerable general inflationary pressure, coupled with intense and rising pressures in limited areas.

THE DUTY OF GOVERNMENT

A primary duty of Government is "to provide for the common defense." In fulfilling this responsibility, the test is not how far we can go without placing strain upon the domestic economy or without creating inflationary pressures. We must go as far as changing circumstances may require. In the final analysis, there are no limits except our total strength to guide us in our determination to resist aggression and thus to strive for peace.

But the question remains as to how much of our total economic strength must be shifted from peacetime production to defense purposes in the current situation. On the basis of searching study of the best information now available, I have recom-

mended to the Congress the substantially increased programs which should now be undertaken to resist aggression and further to build up our preparedness. I have also indicated that other programs will be needed.

The realities of the current situation now require certain changes in national economic policy. These changes will take us in the right direction at once. And if the situation should become even more serious later on, the measures which I now propose for the current situation are also the measures which would make us more ready for further steps.

Appropriate agencies of Government have for several years been preparing the detailed plans for these further steps, if and when needed. If it should become necessary, I shall without hesitation ask the Congress for the grant of the powers to implement these further plans, whether for complete economic mobilization or for further intermediate action depending upon the need.

But the foregoing examination of our expanding material and human resources indicates that the substantial increases in our military forces and in supporting activities now under way do not call for a complete set of economic controls now—if business, labor, and consumers practice moderation, and if adequate steps are taken at once to adjust private and public policies and programs to our supply needs and to the curbing of inflation.

First of all, for the immediate situation, we should rely in major degree upon fiscal and credit measures. These general measures can be helpful not only in restraining inflationary pressures, but also in reducing the civilian demand for some specific products, such as automobiles and housing, thus making available for necessary military use a larger proportion of an already short supply of some critical materials. The more prompt and vigorous we are with these gen-

eral measures, the less need there will be for all of the comprehensive direct controls which involve the consideration of thousands of individual situations and thus involve infinitely greater administrative difficulties and much greater interference with individual choice and initiative.

Since I made tax recommendations to the Congress in January, the situation has changed drastically. There is now no need to reduce any taxes to stimulate business recovery. That recovery even before the development in Korea was more vigorous than most expected, and increased military spending will now accelerate this trend. The need to reduce, and as rapidly as possible to remove, the deficit is also greater now, because of the reappearance of strong inflationary forces. The amount of revenues required to accomplish this will also be greater, because the military situation and the general world outlook make inevitable an overall increase in public outlays of many billions of dollars in this fiscal year. Substantial tax increases now are called for by the requirements of sound budget policy and by the threat of inflation. The general business situation makes this feasible.

I am therefore recommending, for immediate action, an interim revenue measure to yield about 5 million dollars of new revenue on a full year basis. The tax bill now pending should be revised to produce these results. All excise tax cuts and other revenue-losing provisions should be eliminated. The loophole closing, the dividend withholding, and the life insurance company provisions should be retained. The revised corporate income tax rate structure contained in the pending bill should be adjusted to provide a rate of 25 percent on the first \$25,000 of income and 45 percent on the balance, beginning with 1950 incomes. Individual income tax rates should be increased to the "tentative" levels adopted in 1945, by removing

the percentage reductions from those levels made in 1945 and 1948. This should be effective beginning with one-quarter of 1950 incomes, and would be accompanied by an increase in the withholding rate from 15 to 18 percent, beginning with the last quarter of 1950.

The immediate enactment of this tax program is vital, but this interim measure alone will not be enough. It will be necessary, when the necessary studies can be completed and when the extent of our new obligations can be more clearly determined, to raise still additional revenues to avoid a deficit during times when economic policy and budgetary policy call for a balanced budget or a surplus.

The sharp increase in defense outlays makes it imperative to reexamine all Federal programs which might compete for materials and other resources required for national defense. In addition to the restrictive policy already put in force for housing credit, I have directed other agencies to revise their programs, giving particular attention to public works projects, loan programs, and procurement and inventories of supplies and equipment. The primary purpose of these actions is to reduce the demand for scarce resources, and they will also help to reduce Federal expenditures. Some reductions in expenditures can be expected in agricultural price supports with the demand for foodstuffs high, and in veterans' readjustment benefits as employment opportunities increase. We should guard, however, against indiscriminate Budget slashes. Indeed, in addition to direct military programs, a number of other Government programs, such as stockpiling and power development, will have to be expanded in response to the international situation. We should act selectively, curtailing those programs which compete with defense needs, and orienting other operations to the support of the defense program.

In addition to action in the fields of taxation and expenditures, other restraining measures of a general character are needed to deal with the extreme tightness of supply and the upward movement of prices in some important areas. These developments have occurred even with the economy somewhat below maximum production and employment, and even before the events of last month. Such shortages and price movements could very quickly be aggravated by increases in military procurement, by an intensification of consumer buying or business speculation supported by excessive credit, or by a combination of these factors.

Even under less compelling circumstances, I have urged that the Government should have certain credit-control authority to act promptly if necessary. I have on several occasions recommended that the Government's authority to restrain consumer credit, which terminated in the middle of 1949, should be restored. It is highly desirable that this be done now, because many of the products financed by consumer credit are heavy users of materials critically needed for defense production.

The construction industry, which is now operating at very high levels, is also a major user of critical materials. With respect to types of housing credit extended directly or guaranteed or insured by Federal agencies, I have already directed that limitations be imposed wherever permitted by existing law. Further authority to restrict real estate credit, particularly privately financed loans, should be granted. Authority is also needed to restrain commodity speculation.

These general restraining measures will reduce total demand, and thus release materials for military uses. But they cannot operate with sufficient speed or selectivity to serve the military need for those commodities where the shortage of supply is already apparent and will very quickly be

intensified. These shortage situations, if neglected, could intensify the pressure upon prices, militate against an equitable distribution of available supply, and thus force us to invoke more sweeping controls which might be avoided if we take more moderate action now. I am therefore recommending that the Congress immediately enact legislation to authorize the following: priorities and allocation of materials and facilities needed for the national defense and for essential civilian use; limitation of nonessential uses; restraint of inventory hoarding; and requisitioning of supplies.

Such measures to assure the necessary distribution of available supply are essential. Our main effort, however, must be to concentrate upon production and more production. The generally strong condition of our economy affords assurance that production, in general, will move steadily forward. But shortages of some critical commodities are now so great that, even with allocation measures, we can have no assurance of enough supply for military security and essential civilian use. Moreover, if future events should compel further rapid expansion of our military efforts, it would then be too late to commence the lengthy process of increasing basic capacity and supply. Unlike some measures which can be delayed until the immediate need is greater, this problem must be tackled long before the need becomes critical. I therefore recommend to the Congress, for immediate action, a program of guarantees and loans for capital expansion, development of technological processes, and production of essential materials. We cannot afford longer to risk the possibility of future desperate shortages of some of the most essential requirements for our national security.

Along with these special measures, we must continue to concentrate on the overall task of maintaining our general economy

in maximum health and encouraging its productive impulses. It is also imperative that we continue to pursue the international economic programs which are directed toward a more prosperous and more peaceful world. Many phases of national economic policy are involved in these tasks. In previous Economic Reports, I have set forth in detail how we may build upon existing programs to maintain the stability and enlarge the strength of the American economy as part of a strong world economy. Some of these programs now need to be reshaped or retarded, in view of the greater urgency of military undertakings. But the continuing importance of many of these programs should not be lost through concentration solely upon the military situation.

THE RESPONSIBILITIES OF INDIVIDUALS

The changes in national economic policy, which I am recommending at this time, are based upon the proposition that we must look also to individual and voluntary adjustments within our free economy to see us safely through the type of economic situation which is now unfolding. If conditions do not change very materially, we should continue to place large reliance upon these voluntary adjustments.

Our growing productive strength, as I have pointed out in earlier Economic Reports, depends largely upon business policies. It depends upon judicious enlargement of capacity and investment, to make full use of a growing labor force and an expanding technology. It depends upon pointing production along those lines which are most needed under changing circumstances. It depends upon price and income practices which maintain a balance between full output and buying power, so as to avoid either inflation or deflation.

The course of business policies during the

five years since World War II has, in the main, been an encouraging example of sensible adjustment to new problems as they arise. That is one very important reason why we now stand at unprecedented peaks of production, employment, and general prosperity. Further careful adjustment of capacity and investment to current and foreseeable conditions, combined with restrained pricing and other market adjustments, can give us the volume and kinds of production which the Nation needs. This is more essential now than ever before.

The expansion of certain types of production, which is now doubly urgent because of international tensions, should not be held back by fears that capacity would become excessive for peacetime use if international tensions should subside. The experience of the last five years has indicated that our domestic markets and the consumption requirements of our people are plentiful and growing. The facilities of most of our great industries are interchangeably useful for an expanding peacetime economy or for an expanding military force. Our obligation to resist aggression is no clearer than our obligation to maintain full prosperity at home when peace is made secure. With a growing population and working force, this full prosperity will absorb an ever-increasing output. The intelligent course for business now, in its own interests as well as those of the country, is to remember these long-range prospects even as it adjusts to shorter range developments.

Labor also has great responsibilities, rising in proportion to its increasing strength and influence upon the course of the whole economy. Labor should continue and enlarge its contribution toward increasing productivity, and toward even more effective use of manpower. Wage demands of a character which might lead to another inflationary

spiral should be avoided. Above all, labor should join with management in the further consolidation of industrial peace. Work stoppages in vital industries are something we simply cannot afford under current conditions.

Every person in the United States is a consumer. The buying practices of the general public will be an important influence upon the economy under conditions which are now developing. The best rule to follow is to buy normally. The current outlook is that serious shortages of consumer goods will not develop, unless they are created artificially by speculative or panicky acquisition of goods far in excess of actual need. This rule applies to business buying as well. Those of us who are not now called upon to make great sacrifices should certainly, in justice to those in the armed services, refrain from hoarding or avarice.

We cannot now take action against all the contingencies of the future. But if we deal promptly and realistically with the problems of the present, the foundations will be firmly established for meeting new problems as they arise.

Working cooperatively together, through their free enterprise system and their Government, the American people have won a great war and established a unique prosperity.

Our task now is to help to restore and maintain the peace of the world, and to protect and advance our economic strength. These two purposes are inseparable.

We have achieved unity in our policies to resist foreign aggression. We must seek and achieve the same unity in economic policies, which will enable us to make that resistance successful as rapidly as possible. All else must yield to this controlling consideration in the minds and hearts of the freedom-loving people of the United States.

SUMMARY OF LEGISLATIVE RECOMMENDATIONS

1. On account of the cost of expanding our military strength, and to help contain inflationary pressures, an interim revenue measure should be enacted immediately to yield substantial additional revenue in the current fiscal year. The tax bill now pending should be revised as follows:

(a) All excise tax reductions and other revenue-losing provisions should be eliminated, but the loophole closing, the dividend withholding, and the life insurance company provisions should be retained;

(b) The revised corporate income tax rate structure contained in the pending bill should be adjusted to provide an increase in the normal tax rate from 21 to 25 percent; taking into account the 20 percent surtax, this would increase the tax rate on corporate income in excess of \$25,000 to 45 percent, beginning with the year 1950;

(c) Individual income tax rates should be increased to the "tentative" levels adopted in 1945, by removing the reductions from those levels made in 1945 and 1948. This increase should be effective beginning with one-quarter of 1950 incomes, and would require an increase in the withholding rate from 15 to 18 percent, beginning with the last quarter of 1950.

2. As a safeguard against inflationary buying, and to reduce the demand for scarce materials, authority should be granted to regulate consumer credit, to restrain mortgage credit, particularly for housing, and to limit speculation in commodities.

3. In view of the mounting shortage of some commodities required for the national defense, authority should be granted for priorities and allocations of these commodities, for the limitation of nonessential uses, for the prevention of inventory hoarding, and for the requisitioning of supplies.

4. To expedite the production of certain commodities needed for the military and for adequate stockpiling, and to guard against a dangerous shortage of these materials in the event of any emergency calling for further expansion of our military efforts, a program should be adopted which provides loans and incentives for the expansion of capacity, for technological developments, and for the production of essential supplies.

SUMMARY OF ECONOMIC DEVELOPMENTS IN
FIRST HALF OF 1950

The first half of 1950 brought recovery from the mild recession of 1949, and a rapid approach to new peaks of postwar prosperity. But at midyear, it became clear that further substantial increases in output, particularly in some lines, will be needed to meet the enlarged needs resulting from the international situation.

Civilian employment in June of this year was 61.5 million, about 1.9 million higher than a year earlier, and slightly higher than in any previous June. Nonagricultural employment was 2.5 million higher than in June 1949, while farm employment decreased. From May to June, employment increased by about 1 $\frac{3}{4}$ million.

Unemployment, after reaching a postwar peak of 4.7 million in February, was reduced to 3.4 million, or 5.2 percent of the civilian labor force, in June. A year earlier, it was 6.0 percent of the labor force; in February of this year, 7.6 percent. Unemployment at much higher rates persists in some localities, but is being reduced.

Total production of all goods and services rose to an all-time high annual rate of about 267 billion dollars in the second quarter of this year, compared with about 254 billion in the lowest quarter of the 1949 recession, and with the peak rate of 259 billion in the fourth quarter of 1948. These comparisons

are in constant dollars (1949 prices) and are also adjusted for seasonal variation. The industrial production index of 199 in June 1950 also exceeded the previous postwar peak reached in late 1948, and was 18 percent higher than in June 1949. Manufacture of steel and automobiles, and construction activity, are now at new highs. The 1950 agricultural output, however, is expected to be slightly lower than in 1949.

Productivity per man-hour in manufacturing, according to some recent estimates, appears now to be rising at an annual rate of about 3 percent. Output per farm worker during 1945-49 was about 43 percent higher than during 1935-39.

Prices moved moderately upward during the first half of 1950, with sharp rises in a few commodities in short supply. Wholesale prices rose 4.0 percent, and in June were 1.8 percent above the June 1949 level, but still 7.4 percent below the postwar peak. The largest advances were in wholesale farm and food prices. The rise in industrial prices was less pronounced, except for a steady advance in building materials and sharp rises in some metals and in rubber. Consumer prices rose 1.6 percent during the half-year, with very sharp increases in the last two months. In June, they were slightly higher than a year earlier and 2.5 percent below their postwar peak.

Since the events in Korea, there has been a marked rise in prices covering a wide range of commodities. In major part, this has been due to accelerated business and consumer buying, to speculation created by exaggerated fears of shortages, and to the ability to raise prices in such an atmosphere. In the farm field, seasonal declines in the supply of livestock, and the substantial reduction in cotton acreage, have been strong contributing factors. The Bureau of Labor Statistics spot index for 28 commodities has risen 10 percent in the four weeks since the

Korean outbreak, while the weekly index of all wholesale prices has risen 3.7 percent.

Wage and salary payments rose during the first half of 1950, to a seasonally adjusted annual rate of 139.8 billion dollars in the second quarter of the year, about 4.6 billion dollars higher than a year earlier, and about 4.3 billion higher than in the first quarter of 1950. Rising employment and higher wage rates both influenced this trend. Manufacturing wage rates reached a new high of \$1.45 an hour in June. Private pension plans continued their rapid spread.

Work stoppages caused the loss of twice as much work time in the first five months of 1950 as in the same period of 1949. Conclusion of agreements in the bituminous coal industry, and with the Chrysler Corporation, ended the two principal work stoppages of the half-year. In May, the outlook for industrial peace was brightened by the highly significant five-year contract between the General Motors Corporation and the United Automobile Workers.

Profits have risen since 1949. In the second quarter of 1950, corporate profits before taxes were running at a seasonally adjusted annual rate of 31.0 billion dollars, 17 percent higher than a year earlier. The level of profits after taxes permitted substantial increase of liquid assets, despite higher dividends and a higher level of plant and equipment financing.

Farm income (realized net income of farm operators), at a seasonally adjusted annual rate of 11.6 billion dollars in the second quarter of 1950, was 15 percent below that of a year earlier.

Credit expansion, associated with the recovery of business since the latter part of 1949, proceeded rapidly during the first half of this year, closely paralleling the expansionary pattern of 1948. This expansion has reflected very active demand for consumer durables and housing, with the stimulus of

easier terms, and also increased financing of purchases of securities. Consumer installment credit has been rising constantly, and at the end of June reached a total of 12.0 billion dollars, 2.9 billion dollars higher than a year earlier.

Personal income in the second quarter of 1950 was at a seasonally adjusted annual rate of 213.7 billion dollars, an increase of about 4.0 percent from the fourth quarter of 1949. The distribution of veterans' insurance dividends made total personal income slightly higher in the first quarter of 1950 than in the second. But all the major components of earned income, except farm income and rental income, were higher in the second quarter.

Personal consumption expenditures of 184.5 billion dollars in the second quarter of 1950 were 2.2 percent higher than in the fourth quarter of 1949, adjusted for seasonal variation. The proportion of personal consumption expenditures devoted to durable goods in the first half of 1950 was the highest on record.

Personal net saving rose from a seasonally adjusted annual rate of 6.2 billion dollars in the fourth quarter of 1949 to 15.3 billion in the first quarter of 1950, and declined to 10.1 billion in the second quarter. These unusual changes reflected the disposition of veterans' insurance dividends, received mainly in the first quarter. Personal debt has been rising faster than personal income since 1947.

Private domestic investment in the second quarter of 1950 was proceeding at a seasonally adjusted annual rate of 44 billion dollars, less than 3 billion below the all-time peak of the fourth quarter of 1948, and nearly 13 billion above the recession low reached in the fourth quarter of 1949. Outlays for construction and equipment have been rising since the summer of 1949, and by the second quarter of 1950 were well in

excess of those of any previous quarter in history. Inventory accumulation was resumed early in the year, and during the second quarter was proceeding at a substantial rate.

Construction activity rose to a seasonally adjusted annual rate of 26.4 billion dollars in June 1950, a peacetime high. Rising costs of materials and labor evidenced some strain on the capacity of the building industry. The increase of 20 percent in private construction, from the first half of 1949 to the first half of 1950, was due to the unprecedented volume of residential building. Most other types of private construction were less active than last year, though contracts for commercial and industrial building have been increasing in recent months. Public construction, in the first half of 1950, was substantially above the level of a year earlier.

Corporate financial requirements during the first half of 1950 were much higher than a year earlier, primarily on account of the resumption of inventory expansion. Higher profits, however, have enabled corporations as a group during the first half of 1950 to maintain a highly liquid position.

The export surplus (the excess of our exports of goods and services over our imports) in the first half of 1950 was running at a rate of 4 to 5 billion dollars a year less than in the first half of 1949. Imports, after some decline, recovered and reached a higher level. Exports were considerably lower than a year before, and now are almost down to the pre-war relationship to gross national product. Nearly all major export commodities have shown a decline, with cotton an important exception. Factors underlying the decline of exports and of the export surplus have been the increased foreign restrictions against use of dollars in payment for imports, the devaluation of foreign currencies, and perhaps most basically the increased for-

eign production which enabled those countries to get along with less imports from the United States.

Government fiscal transactions in the first half of 1950 were considerably influenced by the veterans' insurance dividend distribution. At seasonally adjusted annual rates, Federal cash receipts in the first half of 1950 were 40.4 billion dollars and cash payments 43.3 billion, resulting in a cash deficit at an annual rate of nearly 3 billion dollars. State and local fiscal operations during the half year showed a continued deficit at an annual rate of about 2 billion dollars.

Excluding the veterans' dividend distribution, Federal cash payments during the first half of 1950 were about 2¼ billion dollars

below receipts on a seasonally adjusted basis, and were about 4.5 billion below the level of payments in the first half of 1949. This drop reflected chiefly lags in expenditures for international and defense programs, and somewhat reduced outlays for farm price supports. These developments in the consolidated cash statement of Federal fiscal transactions have been paralleled by developments in the conventional budget.

HARRY S. TRUMAN

NOTE: The message and the complete report are published in "The Midyear Economic Report of the President Transmitted to the Congress July 26, 1950" (Government Printing Office, 1950, 160 pp.). As printed above the charts have been omitted.

203 The President's News Conference of July 27, 1950

THE PRESIDENT. I have no announcements to make. I will try to answer as many questions as I can.

[1.] Q. Well, Mr. President, if nobody else is going to ask a question, I think I will. *[Laughter]*

Could you comment, Mr. President, on the proposals made by Mr. Baruch¹ before the committee—

Voices: Louder—can't hear—louder!

THE PRESIDENT. Turn around there and ask it.

Q. I asked for comment on the Baruch proposals.

¹ Testifying before the Senate Banking and Currency Committee on July 26, Bernard M. Baruch offered a plan calling for immediate and all-out national mobilization that would include price, wage, and rent controls as well as rationing.

He stated that the administration's proposals for production incentives, priorities and allocations, and consumer credit restrictions were excellent, but he declared that the program did not go far enough.

THE PRESIDENT. My comment is my message to the Congress.

[2.] Q. Mr. President, may I ask a couple of questions about Missouri?

THE PRESIDENT. Sure.

Q. Are you going to the Allison² rally in St. Louis Saturday?

THE PRESIDENT. No.

Q. Can't hear!

THE PRESIDENT. He wanted to know if I was going to the Allison rally in St. Louis Saturday. No, I am not.

[3.] Q. And the other one has to do with the new veterans hospital in St. Louis. I understand you have been asked to designate that as a memorial to Jack Cochran. Do you intend to do so?

THE PRESIDENT. I hope that can be done.

² State Senator Emery W. Allison of Missouri, candidate for the Democratic nomination for the United States Senate.

I was very fond of Jack Cochran. He was a very great friend of the veterans.³

Q. Mr. President, there are two ways it might be done, by legislative action or by your action. My question is directed to yours?

THE PRESIDENT. I will consult General Gray on the subject, and then I will answer your question.⁴

[4.] Q. Mr. President, can you comment on recent statements by Churchill and De Gaulle to the effect that Europe is in mortal peril of aggression?

Q. Can't hear you!

THE PRESIDENT. He wanted to know if I would comment on statements by Mr. Churchill and General de Gaulle that Europe is in mortal fear of aggression. I have no comment.

[5.] Q. Mr. President, I hate to pursue this Baruch thing further, but I take it by your answer that you made, that you have outlined your proposals to meet the Korean situation as of now?

THE PRESIDENT. I have, and I think they are the right ones, or I wouldn't have done it.

Q. Yes, sir.

[6.] Q. Mr. President, there are rumors all around town, including the Capitol, that you are going to ask for price and wage control by Labor Day, and that the ration books are already being printed?

THE PRESIDENT. They know more about it than I do. I have never heard of that.

Q. It was asked of Mr. Symington, and he said it was news to him.

THE PRESIDENT. That's right, and he is in control of the matter.⁵

[7.] Q. Mr. President, do you expect any

further delay in the transition to civil government on Guam?

THE PRESIDENT. There has been a 30-day delay on account of the fact that the Interior Department was not ready to assume control. We are going to try to get civil government on Guam as promptly as we possibly can.

[8.] Q. Mr. President, there is some legislation on the Hill to deal with aliens and subversives. I wonder if you would discuss your ideas of legislation in relation to your warning about sabotage and espionage last week?

THE PRESIDENT. Well, we want to be very careful in times like these that we don't get in the alien and sedition mood of 1798. The Bill of Rights is still a part of the Constitution of the United States, and a most important part. That doesn't mean that we are going to overlook any operation to see that traitors and saboteurs are properly taken care of.

[9.] Q. Mr. President, your message to Congress and your Economic Message yesterday mention the possibility of price control. At what phase in the mobilization efforts, sir, would you consider wage controls might be necessary?

THE PRESIDENT. Whenever it is necessary for price controls and wage controls, and manpower allocations, why the step will be taken altogether.

Q. Do you think that it will be necessary?

THE PRESIDENT. I do not.

Q. Mr. President, if you should ask for price controls and rationing, will that be along with an excess profits tax?

THE PRESIDENT. The tax situation is one that should be worked out on a basis of equity for all concerned. It is a very controversial subject, particularly what you call excess profits taxes. The reason I asked for a direct levy on incomes and corporations, I think that can be done promptly. And then after the election is over this fall, it will give

³ John J. Cochran, former Representative from Missouri.

⁴ Carl R. Gray, Jr., Administrator of Veterans Affairs.

⁵ W. Stuart Symington, Chairman of the National Security Resources Board.

the Congress a chance to work out an equitable tax program, which they should have done 4 years ago.

Q. But you see no possibility, Mr. President, of wage and price controls?

THE PRESIDENT. No—not right now.

Q. Mr. President, would the institution of wage and price controls depend on the development of the Korean situation, or development of inflation at home?

THE PRESIDENT. Depends on the world situation, and the situation at home, of course.

Q. Mr. President, Mr. Baruch said that when it is done it should be rolled back to June 25th. Is that your feeling?

THE PRESIDENT. We will cross that bridge when we get to it.

[10.] Q. Mr. President, you have said in the past, several times, that you would not hesitate to use the atomic bomb in case of aggression. Are you considering such a step now?

THE PRESIDENT. No.

[11.] Q. Mr. President, in your message last week you said that you would ask Congress for more arms aid funds. Is it contemplated that would be done before Congress adjourns?

THE PRESIDENT. Yes. The Secretary of State and Secretary of Defense, Mr. Harri-⁶man, and the National Security Resources Board are working on a program now.

Q. Mr. President, I didn't catch the question.

THE PRESIDENT. He wanted to know about arms funds—arms aid to Europe.

Q. Oh.

THE PRESIDENT. The Atlantic Pact countries.

[12.] Q. One more question, sir, in connection with working out the tax program.

⁶ W. Averell Harriman, Special Representative in Europe for the Economic Cooperation Administration.

You said that that could be done after the elections. You have in mind, sir, that Congress should be on hand after the elections this fall?

THE PRESIDENT. We will attend to that when the time arises.

[13.] Q. Mr. President, a short time ago you said that the outlook on world peace was better than since 1945. Can you tell us what you think about the situation now?

THE PRESIDENT. Well, you had better wait for a few more developments before we come to any conclusions on the subject.

Q. What was that?

THE PRESIDENT. They wanted to know what I thought about world peace now, because I had said a month or 2 ago that I thought the prospects were better than they had been since 1945. I said we had better await further information before we make any statement on that subject now.

[14.] Q. Do you think that the Korean situation indicates a comparative need for speeding up the civilian defense planning, especially regarding Washington as a center of government?

THE PRESIDENT. Civilian defense planning has been going on all the time. Civilian defense planning is most important, and we have been working at it strenuously ever since the program was authorized. And we are much further along with it than anybody has any idea about. Sometime or other we will be able to tell you about it, but not now.

[15.] Q. Mr. President, are you planning to go to Missouri to vote in the primary?

THE PRESIDENT. I just voted in the primary—by an absentee ballot. [*Laughter*]

Q. By an absentee ballot.

THE PRESIDENT. I voted the Democratic ticket, and it's a secret ballot, and I am not going to tell you who I voted for. [*More laughter*]

[16.] Q. The other question was, you

were invited to Indianapolis August 20th to dedicate a new Legion building. Governor Schricker had some idea you might come?

THE PRESIDENT. I don't think there is any possibility of my getting out of Washington any time soon. I want to stay here on the job and do the best I can to help the situation along, and still hope reverently for world peace.

[17.] Q. Mr. President, there has been some speculation about your dropping entirely the idea of campaigning this fall in the congressional elections. Has there been any decision on that one way or the other—

THE PRESIDENT. No.

Q. —whether to go ahead, or whether you decide to drop—

THE PRESIDENT. There has been no decision.

Q. One way or the other?

THE PRESIDENT. No.

[18.] Q. Mr. President, can you say anything about the situation in Korea now?

THE PRESIDENT. I would rather not comment on that. I think the communiques of the New York Times covered the situation very well.

[19.] Q. Mr. President, is there any change in our plan to name a civilian high commissioner for Austria?

THE PRESIDENT. Please ask that question again.

Q. Is there any change in our plan to name a civilian high commissioner for Austria?

THE PRESIDENT. I still didn't understand what he was to be named for?

Q. I understood that we were going to name a civilian commissioner for Austria?

THE PRESIDENT. That is under contemplation.

Q. There is no change in the plan?

THE PRESIDENT. No change in plan, no. No change in plan. We did that in Ger-

many and we would like to do it in Austria, of course.⁷

[20.] Q. Mr. President, there has been a lot of talk about arming the Germans in West Germany, and also the Japanese. Would you comment on that?

THE PRESIDENT. No comment.

[21.] Q. Mr. President, are you contemplating any immediate effort for production of more electric power?

THE PRESIDENT. Yes, I am always contemplating that, May.⁸

Q. Can you tell us where?

THE PRESIDENT. I am trying to get New England to wake up to the fact that they need a public power development over in that corner of the United States. We have a great public power development in the Northwest. We have one in the Southeast—one in the Southwest. New England is the only outfit that has been asleep at the switch on the subject. And then we have the middle part of the United States, which I am hoping to have developed in the same manner. You can't have too much power.

Q. Could you tell me just what your first step will be?

THE PRESIDENT. Well, I have a commission working on that, May, and when they make a report, I will tell you what it is.

[22.] Q. Mr. President, I just want to get straight on the answer you made awhile ago on wage and price controls. I think you were asked if anything like that was in sight, or whether you contemplated any, and you said no. Would you like to qualify that at this time?

THE PRESIDENT. No, not at this time. We have nothing like that in sight, because there is no necessity for it.

⁷ See Item 218.

⁸ Mrs. May Craig of the Portland (Maine) Press Herald.

[23.] Q. Mr. President, in your message last week, I believe, you said that you had asked department heads to resurvey their nonmilitary budgets.

THE PRESIDENT. That is correct.

Q. Are you getting any reports on that? Is there anything—

THE PRESIDENT. I haven't had time yet. The letter only went out day before yesterday.

Q. Are they to report to you, sir?

THE PRESIDENT. Yes, they are going to report to me—they report to the Budget and then to me.

[24.] Q. Mr. President, just to further clarify the question, did I understand you to

say that when those things come—rationing and price controls and wages—they will all come at once?

THE PRESIDENT. They should, of course, yes. That will be all-out mobilization, and I hope we will not have to make an all-out mobilization.

Q. By that, Mr. President, you mean the two steps of price controls and rationing would not come unless they were coupled with all-out mobilization?

THE PRESIDENT. That is correct.

Reporter: Thank you, sir.

NOTE: President Truman's two hundred and thirty-second news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Thursday, July 27, 1950.

204 Letter to the Speaker Transmitting Supplemental Estimate of Appropriations for Military Assistance. *August 1, 1950*

Sir:

I have the honor to transmit herewith for the consideration of the Congress a supplemental estimate of appropriation for the fiscal year 1951 of \$4,000,000,000 to provide military assistance to foreign nations.

As I pointed out in my message to the Congress on July 19, 1950, the communist assault on the Republic of Korea has challenged the authority of the United Nations and jeopardized world peace.

It is now clear that the free nations must accelerate the efforts they are making to strengthen their common security. They now have no alternative but to increase rapidly their preparedness to defend the principles of international law and justice for which the United Nations stands. This course provides the best hope of deterring future calculated outbreaks against the peace of the world.

In view of this urgent necessity, we have

been reviewing the requirements for the common defense of the free world. We have been consulting with our associates in the North Atlantic Treaty with a view to determining what additional resources must be used by them and by us to provide an adequate common defense. Most of these nations, like ourselves, are now making plans to increase their production of defense equipment and their armed forces. The greater share of this effort will, of course, be assumed by these nations themselves, out of their own resources. However, the serious problems with which they are confronted make it necessary for us to increase our military aid to them if they are to make their maximum contribution to the common defense. It is not yet possible to determine exactly what each nation involved in the common defense can and should provide.

It is already clear, however, that the security of the free world requires the United

States and the other free nations to put forth a far larger effort in a much shorter period of time than had originally been contemplated.

For this reason, I recommend that the Congress provide \$4,000,000,000 in additional funds, to be used under the Mutual Defense Assistance Program. Of this amount, it is estimated that \$3,504,000,000 will be required for strengthening the security of the North Atlantic area. The security of this area is of paramount importance to the strength of the entire free world.

The balance of the funds requested would be devoted to expanding and accelerating our military assistance to vital areas in other parts of the world. It is estimated that \$193,000,000 will be required to accelerate and increase the important programs of military assistance to Greece, Turkey, and Iran. In view of the increased jeopardy to the Pacific area caused by the communist aggression in Korea, it is estimated that \$303,000,000 will be required to increase and accelerate military assistance to the Republic of the Philippines and to other nations in southern and eastern Asia. These funds, added to the amounts already provided and to the resources supplied by other nations, will aid in bringing our common defensive strength more quickly to the level now shown to be necessary.

It is important that the Congress make the requested amount available as soon as possible. The bulk of this money will be used to procure military equipment of the kind which takes a long time to produce. Much of it will not come off the production lines for 12, 18, or 24 months after the signing of the procurement contracts. Speed in getting this production underway is imperative, if we are to have the equipment for the expanded forces that are being formed.

The productive capacity of the entire free world should be drawn on to provide the necessary equipment. The need is so great and so urgent that we should obtain the necessary defense articles wherever they can be produced most quickly, most cheaply, and with the most efficient use of the economic resources of the free nations.

While it will undoubtedly be necessary for the United States to manufacture the major part of the equipment to be supplied out of these funds, it will also be necessary for other nations to share the burden to the extent that they can. A significant portion of the arms needed can be produced abroad. In many instances, however, there are resources and manpower which foreign countries can allocate to defense production only if those countries are supplied with additional production equipment and materials. Such equipment and materials will substantially increase the productive resources which the free nations can devote to the common defense.

It is contemplated, therefore, in the program I am recommending, that part of the funds requested will be used to procure military items and production equipment and materials abroad, and to provide equipment and materials, procured in the United States or in other countries, for defense production abroad. Authority already exists for these activities under the Mutual Defense Assistance Program. If we are to take full advantage of foreign productive capacity, we will have to use greater sums for these purposes than we have been using in the past, and will have to purchase the necessary military equipment or production aids in any market where such procurement can be most effectively accomplished.

Equipment which is procured abroad under this program can either be used within the country which produces it or transferred to other countries engaged in the common

defense. The equipment produced abroad, and that produced in the United States, under the Mutual Defense Assistance Program, will be made available to other free countries in accordance with their needs and their ability to use it effectively. To the extent that this equipment is not made available to other countries, it will constitute a valuable addition to our own defense stocks. I wish to make it very plain that this equipment will go forward to other countries only to supplement, and not to take the place of, their own strong efforts. Transfers to other North Atlantic Treaty nations will be consistent with definite defense plans developed by the Treaty Organization.

In intensifying our efforts and the efforts of those joined with us to increase our common defensive power, we must not lose sight of the fact that military power rests on economic strength.

It is vitally important that the free nations create a greater degree of combined military strength in being than has been previously maintained. It is also vitally important that we continue to build up our combined economic strength, capable of rapid mobilization in the event of emergency.

The expansion of the mutual defense program will not be a substitute for economic aid. On the contrary, the burden which we expect the other nations to bear in the common defense effort makes it all the more necessary to continue our economic aid. A greatly expanded program of defense production will impose serious economic bur-

dens, and the cost of maintaining expanded military forces will add to those burdens.

Therefore, if the free nations are to achieve the economic and military strength which are necessary for our common defense, we must continue to give full support to the European recovery program.

The increased military aid program I am recommending is as vital to our national security as the increased military appropriations I have previously recommended for our own armed forces. The security of the United States is inseparably bound up with the survival of the free nations associated with us in the common defense.

In view of the necessity for prompt action, and in view of the fact that the appropriate legislative committees of the Congress have so recently reviewed the Mutual Defense Assistance Program, Congressional leaders of both parties have generously assured me that they will cooperate in obtaining early consideration of this matter in connection with an appropriation bill.

The details of the appropriation estimate are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith.

Respectfully yours,

HARRY S. TRUMAN

[The Speaker of the House of Representatives]

NOTE: On September 27, 1950, the President approved the Supplemental Appropriation Act, 1951, which provided a supplemental appropriation of \$4 billion for military assistance (64 Stat. 1063).

205 Letter to Committee Chairmen on the Defense Production Bill. *August 1, 1950*

Dear Mr. Chairman:

I am writing you in response to your request for my views on the expressed desire

of various Members of the Senate (House) to add to the Defense Production Bill (S. 3936) some kind of authority for direct con-

trols over wages, prices and the distribution of goods to consumers.

It is urgently necessary that the Congress act on the Defense Production Bill without delay. If this measure is enacted promptly, we can do a great deal to ease the economic adjustments which our defense effort will require. At the same time, we can continue, on an expedited but careful basis, our planning and preparation for other economic controls, if and when needed.

Of course, there is no objection, in these circumstances, to enactment of additional stand-by control powers which the President could invoke when the need arose. Before my message of July nineteenth, I gave careful thought to the desirability of asking at once for stand-by authority to control prices and wages, and to ration at the consumer level. I refrained from making this proposal to the Congress because it seemed more important to obtain quick action on the powers contained in the Defense Production Bill. To have included a request for stand-by controls might, it seems to me, have dangerously delayed enactment of the immediate program, while the Congress considered these broader authorities. My recommendations of July nineteenth, were designed to meet the problems immediately before us.

The Congress, in its judgment, may now want to make price, wage and rationing controls available, on a stand-by basis, for use if and when needed. But if the Congress were to take this course, the following conditions appear essential.

First. These additional controls should be supplementary to, and not in lieu of, the basic powers already contained in the De-

fense Production Bill. The production aids and limited controls for which I have asked are essential now.

Second. We cannot afford to bog down or delay in enacting what is needed at once, and supplementary provisions should be added only if they do not prolong consideration or delay action in either House.

Third. Any provisions relating to prices and wages should not set up a rigid formula or freeze in advance of experience. If these powers are now made available in advance of widespread need, it is simple common sense that they must be written in a form which allows wide discretion and flexibility as to the method and place and timing of application.

Fourth. For the same reason, any grant of price and wage authority should leave open the question of the method of administration. This should remain flexible, because it cannot be separated from the question of the extent to which price and wage controls actually might have to be applied.

If these reasonable conditions can be met, I should have no objection to the granting of authority beyond that requested in my message of July nineteenth. But if, for any reason, these conditions cannot be met, I urge strongly that the Congress move at once to enact the Defense Production Bill without including these additional powers.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Burnet R. Maybank, Chairman of the Senate Committee on Banking and Currency, and to the Honorable Brent Spence, Chairman of the House Committee on Banking and Currency.

On September 8, 1950, the President approved the Defense Production Act of 1950 (64 Stat. 798).

206 The President's News Conference of
August 3, 1950

THE PRESIDENT. Be seated, please. Good afternoon, everybody.

[1.] I have one announcement to make. Mr. Harriman and General Norstad and General Lowe will leave tomorrow for Japan, for a political brief with General MacArthur on the political situation in the Far East.

Now I am ready for questions.

Q. Mr. President, I suppose I should be familiar with General Lowe's title and name, but—

THE PRESIDENT. Maj. Gen. Frank E. Lowe. He is a Reserve officer.

[2.] Q. Mr. President, to get rid of a rather obvious question quickly, it appears that Thomas Hennings, Jr., has been nominated for the Senate in Missouri.¹ I assume that you will support the Democratic nominee regardless of the outcome?

THE PRESIDENT. I always do that. I always do that. But the election is not certain yet.

Q. I understand that.

THE PRESIDENT. The nomination is not certain because the absentee vote has to be counted, but if it comes out the way you think it will, why I will support the ticket.

[3.] Q. Along that same line, Mr. President, were you happy over the winning of Paul Aiken of Kansas over Carl Rice?²

THE PRESIDENT. I certainly am happy about it. I haven't been officially notified that he was nominated. If he is, why I am very happy over it.

Q. He said you called him last night—

¹Thomas C. Hennings, Jr., defeated Emery W. Allison in the Missouri primary election held on August 1 for the Democratic senatorial nomination.

²On August 1 Paul Aiken defeated Carl Rice in the Kansas primary election for the Democratic senatorial nomination.

there was a report that you telephoned Mr. Aiken and told him you were happy about it?

THE PRESIDENT. No, I didn't talk to him.

Q. But you are happy about it?

THE PRESIDENT. Yes. I haven't had reports of any nominations as yet officially.

[4.] Q. Mr. President, the House, sitting as a Committee of the Whole, a short while ago this afternoon voted tentatively on a price control plan—price and wage control bill which would go into effect automatically when prices rise to 5 percent over the June 15th Bureau of Labor Statistics Index. What do you think of a plan like that?

THE PRESIDENT. I don't think much of it. That invites a 5 percent rise in prices. If we are going to have a price control authorization, and what goes with it, it should be an authorization for the rollback of prices to a date between May 24 and June 24, on a basis that would set prices and wages during that time—between May 24 and June 24.

If you set an automatic price rise, then you have got to meet an automatic price rise with an automatic wage rise, and you will have a spiral just like we did in the other war. If we are going to have price control, let us have it, and have it in the right way.

Q. Mr. President, on that point, the Democratic Members of the Senate, and I believe the House, have advocated—I would like to have your comment on this point—they believe that business, realizing that price controls would not take effect unless there was a 5 percent rise, would itself see to it that prices did not rise to that extent. Do you think there is any force to that argument?

THE PRESIDENT. I think, if we are going to have price control, it is the business of the Government to do the policing. I didn't

ask for price control, you understand. They may force it on me, and I will make use of it if it is necessary, if they do give it to me. I would have asked for it, if I thought I needed it—and I will use it if I do think it is necessary. But I hope that they won't set any restrictions on it so that it won't be used for the public good.

Q. Just to clear that up, you would have preferred legislation freezing prices to June 24—

THE PRESIDENT. Authorizing that that be done, if it becomes necessary.

Q. But not a legislative—

THE PRESIDENT. No, it is not a legislative program.

Q. It is not.

[5.] Q. Mr. President, did Senator Lyndon Johnson consult with you at all about his new investigating committee operations in the Senate? ³

THE PRESIDENT. No. He hasn't talked with me about it at all.

Q. Mr. President, do you have any comment on the fact that the Senate elected to follow essentially the comparative line—

THE PRESIDENT. I don't know anything about it. I haven't seen the resolution, and I haven't talked with anybody about it, so I can't very well comment on it.

[6.] Q. Mr. President, do you have any comment on the reports that due to the world situation, it has been decided to postpone indefinitely the tariff concessions as scheduled for next month?

THE PRESIDENT. I hadn't heard anything about that. I think I would be consulted before that was done.

³ On July 27, 1950, Senator Lyndon B. Johnson of Texas was appointed chairman of a subcommittee of the Senate Armed Services Committee empowered "to keep continuous watchfulness over our entire rearmament and preparedness and defense program."

[7.] Q. Did you say they were bringing a briefing to General MacArthur on the political situation?

THE PRESIDENT. No. Mr. Harriman is going to Japan to discuss the Far Eastern political situation with General MacArthur.

Q. Is he bringing any instructions from here?

THE PRESIDENT. No. I have not made up my mind as yet on whether to give him instructions or not. I don't think he needs any, but I will discuss the matter with him.

Q. And that is tomorrow, sir?

THE PRESIDENT. Tomorrow, yes.

[8.] Q. Mr. President, I hate to rise so much—

THE PRESIDENT. That's all right. You are free to ask any questions you want, and I will try to answer them.

Q. The question I have is—through one of our member papers—as to whether you have any plans for reappointing Mr. Taylor as Ambassador to His Holiness?

THE PRESIDENT. I have not. When Mr. Taylor resigned, that office automatically ceased, because that was a personal representative appointed by the President. Mr. Taylor resigned, and no further appointment in that line has been considered. The possibility of maintaining a regular Minister at the Vatican is under study.⁴

Q. It might be a regular Minister?

THE PRESIDENT. Yes, it might be a regular procedure.

[9.] Q. Mr. President, are the Spaniards prematurely enthusiastic about this loan of \$100 million that the Senate voted yesterday?

THE PRESIDENT. I don't think that amendment should be in the ECA bill at all. It doesn't belong there. There is nothing in the world to prevent the Spanish Government from applying for a loan to the Export-

⁴ See Item 16 [1].

Import Bank, and if they have sound collateral the loan would be favorably considered, I am sure. But that amendment is entirely out of place in that ECA bill, and I hope they will take it out.

[10.] Q. Mr. President, Percy Priest, Congressman from Tennessee, the majority whip in the House, is quoted in the papers as saying he thinks Secretary Johnson and Secretary Acheson should resign, in view of the war developments. Will you agree with that?

THE PRESIDENT. Who made that statement?

Q. Congressman Priest of Tennessee, the majority whip.

THE PRESIDENT. Well, I am surprised. I don't think he has any business making any such statement as that, especially if he is the leader of the majority. Just make it plain to him they are not going to resign, as long as I am President.

[11.] Q. Mr. President, with regard to your statement about the \$100 million to Spain, a great many people do not understand this phase of it, and it was expressed by some Members in the Senate who said that not arming Spain or not financing them leaves a hole in the dike. Do you care to make any statement on that?

THE PRESIDENT. No, I don't care to make any statement on that.

Q. Or explanation?

THE PRESIDENT. No.

[12.] Q. Mr. President, Senator Lucas is saying that the Senate now does not have the time to consider statehood for Hawaii and Alaska. Do you agree with that?

THE PRESIDENT. No, I don't. I am going to urge them to consider it now, because I think Alaska and Hawaii fall in the public interest and for the national defense.

[13.] Q. Mr. President, do you consider

Jimmie Byrnes ⁵ a Democrat, and will he be invited to the White House functions, such as the recent Democratic Governors luncheon? [*Laughter*]

THE PRESIDENT. He was not invited to the recent Democratic Governors luncheon, and he was not a Governor at that time.

Q. You didn't understand my question, sir, if you will excuse me. Do you consider Jimmie Byrnes a Democrat now, and will he be invited in the future to such—

THE PRESIDENT. I will cross that bridge when I get to it. [*More laughter*] You ask Mr. Byrnes what he thinks about that. He can answer you better than I can.

[14.] Q. Mr. President, could you expand a little bit on the purpose of Mr. Harriman's talks in Tokyo? Will it include the Japanese peace treaty?

THE PRESIDENT. It will include political matters that affect the Far East, and that's about all I can say about it. I can't go into detail on that.

[15.] Q. Mr. President, will you plan to withdraw the nomination of Mr. Martin Hutchinson to the Federal Trade Commission?

THE PRESIDENT. No.

Q. They won't act on it—

THE PRESIDENT. No, I don't intend to withdraw it. Mr. Hutchinson says he is willing to go through with the fight, and I will back a man up when he wants to make a good fight.

Q. Would that also apply to Carroll Switzer? ⁶

⁵ James F. Byrnes, former Secretary of State. Mr. Byrnes won the nomination for Democratic gubernatorial candidate for South Carolina on July 12, and became Governor in January 1951.

⁶ On January 5, 1950, the President transmitted to the Senate the nomination of Carroll O. Switzer to be the Federal District Judge for the Southern District of Iowa. The Senate rejected the nomination on August 9, 1950.

THE PRESIDENT. Yes, it does.

[16.] Q. Mr. President, would you comment on the new \$9½ billion rearmament program which has been announced in London—British rearmament?

THE PRESIDENT. I am very happy over that. I just discussed it with the Secretary of State, just before lunch, and I think the British have made the proper approach. And I hope all the rest of our allies will do likewise.

[17.] Q. Mr. President, I thought somebody else would ask about Mr. Pauley at the Capitol today. Could you explain why Mr. Pauley came to tell us the story?

THE PRESIDENT. No, I can't. I understand, from what I have heard about it since then, that Mr. Pauley was requested by the Defense Department to go up to the military committee and discuss the matter. He was

not requested to do it by the White House.⁷

Q. Mr. Chairman of the Committee, Mr. Tydings,⁸ said the White House—

THE PRESIDENT. Mr. Chairman of the Committee was mistaken!

Reporter: Thank you, Mr. President.

THE PRESIDENT. All right.

NOTE: President Truman's two hundred and thirty-third news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4:05 p.m. on Thursday, August 3, 1950.

⁷ On August 3, 1950, Edwin W. Pauley, former U.S. reparations representative to Korea, testified before the Senate Armed Services Committee. His testimony included a statement that in 1948 he had urged war with the Soviet Union when a committee of the United Nations was refused admittance to North Korea.

⁸ Senator Millard E. Tydings of Maryland, Chairman of the Senate Armed Services Committee.

207 Special Message to the Congress on the Internal Security of the United States. *August 8, 1950*

To the Congress of the United States:

I am presenting to the Congress certain considerations concerning the steps we need to take to preserve our basic liberties and to protect the internal security of the United States in this period of increasing international difficulty and danger. We face today, as we have always faced in time of international tension, the question of how to keep our freedom secure against internal as well as external attack, without at the same time unduly limiting individual rights and liberties.

Throughout our history as a Nation, our people have always—and properly—been wary of government action which limited personal liberty. At the time our Constitution was being debated, there was considerable fear that it did not properly safeguard the exercise of individual freedom. As a result, the first ten amendments to the Con-

stitution—the Bill of Rights—were adopted, in order to make sure that the Federal Government would not infringe upon the free exercise of religion, freedom of speech, freedom of the press, the right of peaceable assembly, and the other basic rights which are essential in a free society. The Bill of Rights was then, and remains today, a stirring embodiment of our democratic ideals—an inspiration to free men everywhere and to those who would be free.

At the same time, the Bill of Rights was not intended to prevent the Government from maintaining our Nation's integrity against subversion or attack. For example, the right of the people to keep and bear arms, which is guaranteed in the Bill of Rights, obviously gives no license for the building up of an armed revolutionary movement within our borders.

Accordingly, the Government has enacted

laws, from time to time, against espionage, sabotage, and other internal threats to our national safety. Each of these laws necessarily places some restrictions on individual liberty, for the protection of the Nation.

It has always been difficult to draw the line between restrictions which are proper because they are necessary for internal security, and restrictions which are improper because they violate the spirit or the letter of the Constitution. It is clear that on certain occasions, that line has been over-stepped.

Soon after our Government began functioning under the Constitution, there was enacted, in 1798, the group of legislative acts known as the Alien and Sedition Laws. These laws were ostensibly designed to prevent activities which would undermine the Nation's safety and independence. But in fact they were broad enough—and were used—to imprison many leading citizens, including a Member of Congress, who expressed disagreement with the policies of the Administration then in office.

The Alien and Sedition Laws were so repugnant to the free spirit of our people that they played an important part in the disappearance of the Federalist Party, which sponsored them, and the objectionable features of these laws were shortly repealed or allowed to expire. That experience taught us a great lesson: that extreme and arbitrary security measures strike at the very heart of our free society, and that we must be eternally vigilant against those who would undermine freedom in the name of security.

Since the time of the Alien and Sedition Laws, there have been recurrent periods—especially in wartime—when the safety of our Nation has been in danger. Each of these occasions has confronted us with a new set of conditions, to which we have had to adjust our internal security laws and procedures.

At the same time, each of these periods of danger has been seized on by those who, in good faith or bad, would severely limit the freedom of our people in a misguided attempt to gain greater security. As we look back now, we can see that there have been certain times when we have, to some extent, repudiated our own ideals of freedom in an excess of zeal for our safety. Nevertheless, it is a tribute to the strong faith and common sense of our people that we have never for long been misled by the hysterical cries of those who would suppress our Constitutional freedoms.

The present period is one of the times in which it has been necessary to adjust our security measures to new circumstances. The particular danger which we have had to meet has been created by the rise of totalitarianism—first the totalitarianism of the right, and now that of the left.

Today, we face most acutely the threat of the communist movement, international in scope, directed from a central source, and committed to the overthrow of democratic institutions throughout the world.

The major danger from the communist movement lies in its use of armed force and the threat of aggression through which it is trying to establish its control over free nations. To meet this danger, we are working vigorously with other free nations to build a strong and effective common defense.

Communist imperialism also seeks to weaken and overthrow free nations by working within their borders.

Through their own political parties, and by trying to make alliances with non-communist political groups, the communists attempt to gain political power. The best defense against this aspect of the communist threat is a vigorous, functioning democracy which succeeds in meeting the needs of its people. A vigilant people, who exercise their democratic rights to keep their govern-

ment active in the interests of all, can defeat the efforts of communists to attain electoral power.

In the United States, the communist party has never received more than a minute portion of the national vote. The good sense of the American people, and their faith in democracy, have utterly rejected the false political appeal of communism.

As a part of their campaign to weaken free nations from within, the communists try to infiltrate and gain control of the most vital citizens' organizations such as unions, associations of veterans, business groups, and charitable, educational, and political societies. In this country, these attempts have—with few exceptions—been successfully thwarted by the common sense and hard work of the members of those organizations, who have defeated the communists through democratic processes, or forced them into isolated groups which are clearly and definitely identified as communist-controlled.

The success of our labor union members and leaders in exposing and eliminating communists who had managed to gain positions of authority in the labor movement is particularly noteworthy. This demonstrates that open and public democratic processes provide the most effective way to prevent communists from dominating the activities and policies of private groups in our country.

If the communists confined their activities in this country to the open and public channels of the democratic process, we would have little concern about them. But they do not so limit their activities. Instead, to serve the ends of a foreign power, they engage in espionage, sabotage, and other acts subversive of our national safety.

To protect us against activities such as these, we must rely primarily upon Government action. We must have effective internal security measures to prevent acts which threaten our national safety.

These measures must be accurately devised to meet real dangers. They must not be so broad as to restrict our liberty unnecessarily, for that would defeat our own ends. Unwise or excessive security measures can strike at the freedom and dignity of the individual which are the very foundation of our society—and the defense of which is the whole purpose of our security measures.

In considering the laws that are needed to protect our internal security against communist activities, we should remember that we already have tested legal defenses against treason, espionage, sabotage, and other acts looking toward the overthrow of our Government by force or violence. Strong laws exist on the statute books—a number of them enacted or strengthened in recent years—under which we have proceeded and are proceeding vigorously against such crimes.

The treason laws make it a crime for anyone owing allegiance to the United States to levy war against his country, to give aid and comfort to its enemies, or to conceal knowledge concerning treasonable activities.

The espionage laws make it a crime to gather, give, receive, or transmit documents or similar materials concerning the national defense of the United States with intent or reason to believe that they are to be used against the interest of the United States. Furthermore, these laws make it a crime for anyone who has national defense information to communicate it to any person not entitled to receive it.

The sabotage laws make it a crime for anyone, with intent to interfere with the national defense, to attempt to injure or destroy any material, premises, or utilities which are important to the national defense.

There are other laws which make it a crime for two or more persons to "conspire to overthrow, put down, or to destroy by force the Government of the United

States . . . or by force to prevent, hinder or delay the execution of any law of the United States." There are also laws which make it a crime to advocate or teach the overthrow of the United States Government, or any State or local government, by force or violence, to organize any group for that purpose, or to be a member of such a group, knowing its purpose. In 1948, eleven of the most important leaders of the Communist Party in this country were indicted under these laws. After a long trial, all were convicted, and their conviction was affirmed by an appellate court on August 1, 1950.

In addition to the criminal laws outlined above, there is a set of laws governing immigration, naturalization, and travel between our country and others. These laws permit the Government to exclude or deport any alien from this country who may be dangerous to our internal security, and to forbid or to regulate the travel abroad of United States citizens who may be engaged in subversive activity.

The laws I have been describing apply to private citizens and groups. A special set of laws and procedures applies to Government employees. Here our purpose is to exclude or remove from Government service persons who may be disloyal, even though they have committed no crime, and to keep from positions of importance persons who cannot be trusted to maintain security regulations, even though they may be loyal citizens and satisfactory employees in all other respects.

More than three years ago, the Executive Branch revised and improved its procedures for dealing with questions of employee loyalty and security. These new procedures have proved effective in protecting the Government against disloyal persons and persons whose employment constitutes a security risk.

The various laws and procedures I have

outlined make up a strong set of legal safeguards against acts by individuals and groups which strike at the internal security of the United States.

Over the last few years, we have successfully prosecuted several hundred cases in the courts under existing internal security laws. In this process we have obtained a great deal of experience in the application of these laws. We have discovered a few defects, some of them minor and others of greater importance, in some of the existing statutes. In view of the situation which confronts us, it is important that these defects be remedied. At this time, therefore, I wish to recommend that the Congress enact certain legislation before the close of the present session.

First, I recommend that the Congress remedy certain defects in the present laws concerning espionage, the registration of foreign agents, and the security of national defense installations, by clarifying and making more definite certain language in the espionage laws, by providing an extended statute of limitations (in place of the present 3-year statute) for peacetime espionage, by requiring persons who have received instruction from a foreign government or political party in espionage or subversive tactics to register under the Foreign Agents Registration Act, and by giving broader authority than now exists for the President to establish security regulations concerning the protection of military bases and other national defense installations.

Second, I recommend that the Congress enact legislation permitting the Attorney General to exercise supervision over aliens subject to deportation and to require them, under the sanction of criminal penalties, to report their whereabouts and activities at regular intervals. In a number of cases, aliens under deportation orders cannot be deported because no other country will accept them. A bill pending before the Con-

gress would permit the Attorney General in certain cases to detain such aliens in his custody for indefinite periods of time—not pursuant to a conviction for crime but on the basis of an administrative determination. Such action would be repugnant to our traditions, and it should not be authorized. Present law, however, is inadequate to permit proper supervision of deportable aliens, and should be strengthened as I have indicated.

Under the leadership of the National Security Council, the agencies of the Government which administer our internal security laws are keeping these laws under constant study to determine whether further changes are required to provide adequate protection. If it does appear that further improvements in these laws are needed, I shall recommend them to the Congress.

By building upon the framework now provided by our basic laws against subversive activities, we can provide effective protection against acts which threaten violence to our Government or to our institutions, and we can do this without violating the fundamental principles of our Constitution.

Nevertheless, there are some people who wish us to enact laws which would seriously damage the right of free speech and which could be used not only against subversive groups but against other groups engaged in political or other activities which were not generally popular. Such measures would not only infringe on the Bill of Rights and the basic liberties of our people; they would also undermine the very internal security they seek to protect.

Laws forbidding dissent do not prevent subversive activities; they merely drive them into more secret and more dangerous channels. Police states are not secure; their history is marked by successive purges, and growing concentration camps, as their governments strike out blindly in fear of violent revolt. Once a government is committed to

the principle of silencing the voice of opposition, it has only one way to go, and that is down the path of increasingly repressive measures, until it becomes a source of terror to all its citizens and creates a country where everyone lives in fear.

We must, therefore, be on our guard against extremists who urge us to adopt police state measures. Such persons advocate breaking down the guarantees of the Bill of Rights in order to get at the communists. They forget that if the Bill of Rights were to be broken down, all groups, even the most conservative, would be in danger from the arbitrary power of government.

Legislation is now pending before the Congress which is so broad and vague in its terms as to endanger the freedoms of speech, press, and assembly protected by the First Amendment. Some of the proposed measures would, in effect, impose severe penalties for normal political activities on the part of certain groups, including communists and communist party-line followers. This kind of legislation is unnecessary, ineffective, and dangerous.

It is unnecessary because groups such as the communists cannot accomplish their evil purposes in this country through normal political activity. They will be repudiated by the people as they have always been.

It is ineffective because it does not get at the real dangers from the communists in this country. These dangers come, not from normal political activity, but from espionage, sabotage, and the building up of an organization dedicated to the destruction of our Government by violent means—against all of which we already have laws.

This kind of proposed legislation is dangerous because, in attempting to proscribe, for groups such as the communists, certain activities that are perfectly proper for everyone else, such legislation would spread a legal dragnet sufficiently broad to permit

the prosecution of people who are entirely innocent or merely misguided. As far as the real conspirators against our institutions are concerned, such legislation would merely have the effect of driving them further underground and making it more difficult to reach them. Furthermore, if such legislation were held unconstitutional, as it well might be, it would make martyrs out of our worst enemies and create public sympathy for them.

Extreme proposals of this type reflect the widespread public concern about communism which most of our people feel today. In some communities, this concern has resulted in the enactment of unnecessary or unconstitutional laws or ordinances designed to suppress subversive activity.

We must not be swept away by a wave of hysteria.

It is natural, perhaps, to think that we can wipe out the dangers which confront us by passing a law. But we cannot get rid of communism just by passing a law. We must, of course, have effective legal defenses, but the principal protection of a free society against subversion is an alert and responsible citizenry dedicated to the advancement of freedom through democratic means.

This is the way to build real security for our country—and every citizen can help. Everyone in public life has a responsibility to conduct himself so as to reinforce and not undermine our internal security and our basic freedoms. Our press and radio have the same responsibility. Private groups of all kinds, and citizens in their daily work and in their homes, are equally concerned with the question of protecting our liberties and our national security. We

must all act soberly and carefully, in keeping with our great traditions. This is important not only to our own country, but to the success of the cause of freedom in the world.

Throughout the world, communism is seeking to discredit our system of constitutional liberties. The communists know that the leadership and good will which our Nation enjoys arise in great measure from the fact that men here have the blessings of liberty. Consequently, the propaganda of communism is devoted to a bitter and unceasing attempt to blacken and distort our national character and our way of life.

This propaganda is a formidable threat to the unity of the free nations in working for peace. The best answer to it is not words, but deeds. We must demonstrate that we are a country in which men can live together and advance together as a free society. This alone can prove the falseness of the communist attack. It would be tragic in the highest degree if we were to frighten ourselves into destroying those very liberties which are the basis of our moral leadership in the struggle for peace.

I am determined that the United States shall be secure. I am equally determined that we shall keep our historic liberties.

Success in achieving both these objectives is of exceptional importance in the present period of international tension. For by our actions, we must maintain the United States as a strong, free people, confident in our liberties, and moving forward with other free peoples to oppose aggression and to build a just peace for all mankind.

HARRY S. TRUMAN

NOTE: For the President's veto of the internal security bill, later overridden by Congress, see Item 254.

208 Remarks to the President's Committee on National Employ the Physically Handicapped Week. *August 9, 1950*

Mr. Secretary of Labor, Mr. Chairman, members of the Cabinet, and ladies and gentlemen:

I am glad to welcome you to this sixth annual meeting of the President's Committee on National Employ the Physically Handicapped Week.

As you know, I have been deeply interested in the work of this organization ever since it was established. And it has never been more important than it is today.

Some people may feel that your work is now overshadowed by the important events which are occurring in the struggle for a just and lasting peace. But this is not the case. At a time like this it is essential that our country use all its productive resources. Our national strength is the chief reliance of the free world in its effort to overcome the forces of tyranny and aggression.

For that reason we need the contribution that every citizen is capable of making. This Committee knows that those who have physical handicaps can work as effectively as those who have no handicaps, provided they have jobs fitted to their capabilities. They are needed today in the great productive efforts of our Nation.

I urge this Committee therefore to redouble its efforts to place before all the employers of this Nation and all the groups concerned with employment the very simple message that the physically handicapped can and should be employed. Only in this way can we enable the handicapped to play their full part in strengthening our Nation.

There is another reason why it is important to encourage and increase the employment of the physically handicapped.

Our Nation is strong because it is loved by the citizens. We love our country not as an abstraction or a theory but because it

offers us the chance to lead useful lives and to do what we can for those around us. It offers us independence. Those who are physically handicapped are often cut off from making their independent contribution to the welfare of all and are reduced to being dependent on others. In many cases this is entirely unnecessary. They can do as much and earn as much as the physically perfect, if they are guided to the right job and accepted on merit. In this way they can share in the greatest satisfaction of American life—to be independent and self-supporting.

This is the objective of the work you are doing. Your work is not only humanitarian, it is also patriotic, because it strengthens the ties that bind us all together in loyalty to our country.

Every year more groups and more individuals are participating in this great campaign to employ the physically handicapped. I have just signed a proclamation designating the week beginning October 1 as National Employ the Physically Handicapped Week. The observance of that week is vitally important but our campaign is not just a 1-week affair. While our public appeal will be concentrated in that week, the job of securing employment for the handicapped has now become a year-round effort.

I wish particularly to thank the many State Governors who have been of real assistance in this year-round program. I should like the chairmen of the State committees, who represent their Governors here, to take home with them my personal thanks and the thanks of the Federal Government for the work which the States have been carrying on.

I hope that the State committees will enlist the membership and the active support

of all the groups represented on this national committee. The people in the State public employment services and the State vocational rehabilitation services have been doing a wonderful job. I know that, for I have inspected some of the work that these people have been doing, myself, personally. But this program cannot be fully successful if they are asked to do all the work. The State committees need the participation of businessmen, industrialists, and labor union representatives, as well as Government experts.

Our Federal, State, and local government agencies must set a good example in the employment of the handicapped. I am happy to report to you that the Federal Government has made real progress in this field since our last meeting. I am glad to learn that this Committee is going to set up a special subcommittee to work on the problem of securing greater employment opportunities for the handicapped in the State and municipal governments.

The problem of the physically handicapped is a tremendous one. We must attack it in two ways.

First, we must do everything we can to prevent disabling accidents and diseases. Through accident prevention and through preventive medicine, we can do a great deal to reduce the number of persons who become disabled each year. And I am devoting just as much time to those things as I am to anything else in Government, for it is just as important.

Second, we must improve our skills and increase our efforts for rehabilitating those who are disabled. This requires us to improve our programs for better medical care, for providing education and training, individual counseling, and specialized job placement. Through these activities we can conserve human resources of our country.

Through them we can strengthen and improve our most valuable asset—the lives of our citizens. The expenditures which we make on such programs are returned to us many times over in the productive lives of those who are benefited.

These programs are not luxuries. I have recommended to the Congress specific proposals to expand them. I have recommended, and the Congress has provided, increased appropriations to make the working of this Committee more effective. I have also recommended expansion of the programs for vocational rehabilitation, for the prevention of industrial accidents, and for increasing medical facilities and medical training. These programs represent a profitable investment for our country. More important, they represent the right approach to the problems of our citizens.

I hope that you will have great success this year in your campaign for employment of the physically handicapped. Nothing is more important in the rehabilitation than the final step—the acceptance, by employers and by the public, of the physically handicapped as normal members of a productive society. That is our goal. And it is only through the efforts of individuals and organizations represented on this Committee, and on State and municipal committees, that this goal can be reached.

As you go about your labors, there is one thought in particular that I would like you to keep in mind. The activity in which you are engaged is important to our civilization because it reflects the high value which we place on the individual human lives.

Today, we are confronted by forces which have little or no regard for human life. We are confronted by those who think of human lives only in terms of power. For them the individual is of no consequence. They think of the people only as an instrument for

achieving their own lawless ambitions.

In our society, on the other hand, human life is infinitely precious. Human life is something that comes to us from beyond this world, and the purpose of our society is to cherish it and to enable the individual to attain the highest achievement of which he is capable. That is why this Committee exists and that is why so many people, including yourselves, give so generously of their time and effort in aiding their fellow men.

The work which you are doing demonstrates to all the world what we mean when

we say that human life is God-given and infinitely valuable. This is a vital service in the cause of freedom. The success of your efforts today is important to the progress of all humanity.

NOTE: The President spoke at 11:08 a.m. in the Departmental Auditorium in Washington. In his opening words he referred to Maurice J. Tobin, Secretary of Labor, and Vice Adm. Ross T. McIntire, chairman of the President's Committee on National Employ the Physically Handicapped Week.

On the same day the President signed Proclamation 2897, officially proclaiming the week beginning October 1, 1950, as National Employ the Physically Handicapped Week (3 CFR, 1949-1953 Comp., p. 70).

209 The President's News Conference of *August 10, 1950*

THE PRESIDENT. Please be seated. I have no special announcements to make this morning, but I will try to answer questions, if I can.

[1.] Q. Mr. President, what do you think of the performance of the Russian delegation—in particular, Mr. Malik—in the United Nations Security Council? ¹

THE PRESIDENT. I am not interested in the Russian delegation. I am highly pleased with the performance of the American delegation. I think it is one of the most wonderful performances that has been held since I don't know when. And the same can be said for the British delegation. I don't like filibusters. You should have asked the question the other way around. I am on the American side.

¹ Jacob A. Malik held the rotating presidency of the Security Council during August. In that capacity he was able by various maneuvers to block action on the principal item on the agenda, the "Complaint of aggression upon the Republic of Korea."

Q. They are the ones that have been kicking up the fuss—

THE PRESIDENT. It doesn't make any difference. We have been putting them down.

Q. Mr. President, then I take it that you mean that the Russians—you think the Russians are filibustering?

THE PRESIDENT. No doubt about it. Did you ever see a filibuster before?

Q. Yes, sir.

THE PRESIDENT. You've been here almost as long as I have.

Q. Mr. President, do you think the Russian filibuster is a good sign or a bad sign in relation to world peace?

THE PRESIDENT. I can't answer hypothetical questions, for I don't know.

[2.] Q. Mr. President, can you tell us anything about Mr. Harriman's report to you yesterday, after his return from the Far East?

THE PRESIDENT. Mr. Harriman, I think, expressed all that can be said in the press conference which he held right here in this

room.² What he said was substantially what he had reported to me.

[3.] Q. Mr. President, do you anticipate using your powers to reduce expenditures on public works of a nondefense character, like flood control, reclamation—that sort of thing?

THE PRESIDENT. Have you seen the memorandum which I have sent to all the Departments?³ If you haven't, I would advise you to read it, and that will answer your question.

Q. Mr. President, they didn't send them to us.

THE PRESIDENT. Well, it was not a public document, but everything of that kind leaks, and a good one ought to leak once in a while.

[*Laughter*]

Q. It didn't.

Mr. Ross: Mr. President, that was made public.

THE PRESIDENT. That was made public, Charlie says. [*Laughter*] You probably didn't keep up with the bandwagon. I thought it had been. But if it hadn't, it could very easily have leaked.

[4.] Q. Did you reply to the telegram of the railroad unions before the Government takes possession of the railroads?⁴

THE PRESIDENT. I did not.

² W. Averell Harriman, special foreign coordinator for President Truman, stated in a press conference on August 9 that United States policy toward Formosa had been set by Mr. Truman on June 27 and that this policy had not been changed since that time (see Item 173). The policy, Mr. Harriman went on to remind the reporters, was aimed at isolating Formosa from the mainland both by preventing attacks on the island by the Communists and by preventing Nationalist efforts to return to the mainland.

³ See Item 196.

⁴ On August 4 the President received a telegram from R. O. Hughes, president of the Order of Railway Conductors, and from W. P. Kennedy, president of the Brotherhood of Railroad Trainmen, in which they blamed the carriers for the lack of progress in settling the railroad dispute and recommended that the "Government take possession of and operate the

[5.] Q. Mr. President, are you as optimistic as the Pentagon on the progress of the war in Korea?

THE PRESIDENT. I take my military advice from the military leaders, and I am optimistic, as they are.

[6.] Q. Mr. President, do you plan to appoint Mr. Martin Hutchinson to any other post?

THE PRESIDENT. I have no plan.

[7.] Q. Mr. President, I would like to go back to Mr. Harriman, if I may?

THE PRESIDENT. Sure.

Q. General MacArthur says there are defeatists and appeasers who are working against him. Is anybody trying to set you against General MacArthur?

THE PRESIDENT. I haven't met anybody yet.

Q. What was your answer, Mr. President?

THE PRESIDENT. I haven't met anybody of that sort yet. General MacArthur and I are in perfect agreement, and have been ever since he has been in the job he is now. I put him there, and I also appointed him Commander in Chief of American and Allied Forces, at the suggestion of the United Nations. I am satisfied with what he is doing.

[8.] Q. Mr. President, we have had conflicting reports on the excess profits tax. Some of your friends are saying that you want an excess profits tax now, and that you do not want one as of now.

THE PRESIDENT. Well, I will tell you just exactly what the situation is. As in the case of the request for controls, I asked for a tax that I hoped could be promptly enacted. An excess profits tax is a very controversial matter. Of course, eventually, there will be an excess profits tax, but the Congress ought to have plenty of time to work it out when they haven't the election jitters. And I think it

railroads in the United States until such time as this dispute is settled in fairness to the rights of our members." See also Item 221.

would be better to work that out after the election than now.

If they will act promptly on the tax I asked for, it will help, to some extent, with this inflationary spiral with which we have been threatened. That is the reason for the request for the increased taxes.

Q. You would take an excess profits tax now, if Congress voted one?

THE PRESIDENT. Of course.

[9.] Q. Do you have any comment on Glen Taylor's apparent defeat? It looks as if he is beaten by a thousand votes in Idaho? ⁵

THE PRESIDENT. No, I have no comment.

Q. You are not unhappy, though?

THE PRESIDENT. I don't know anything about it—only what I have seen in the papers. And when I get the official returns, then maybe I'll comment on it.

[10.] Q. Mr. President, the Senate Finance Committee tabled the bill to suspend the import tax on copper. Are you still as optimistic, that Congress—

THE PRESIDENT. I think that is something that really ought to be done. It is helpful to our allies, and it will help our relations in the American hemisphere. That tax ought never to have been put on there in the first place. They should not have let it expire. I requested it time and time again, that they not let it expire.

Q. Didn't get the question, sir.

THE PRESIDENT. The question was about the copper tax.

Q. It has been under suspension, hasn't it—the import tax on copper?

THE PRESIDENT. It has been under suspension, but the time expired some time ago—I think the 1st of July.

⁵ On August 8 Senator Glen H. Taylor of Idaho, vice presidential candidate in 1948 on the Progressive Party ticket headed by Henry A. Wallace, was defeated in Idaho's primary election for the Democratic senatorial nomination by former Senator D. Worth Clark.

[11.] Q. Mr. President, in our policy of neutralizing Formosa and preventing Communist invasion, if that should be attempted, are we prepared to use the Air Force and ground troops as well as the 7th Fleet?

THE PRESIDENT. I can't answer any questions like that—now—I'm sorry.

[12.] Q. Mr. President, you have said that you will carry on mobilization with the old-line agencies, and if so, what is your thinking on that? Why do you favor that, rather than setting up new administrative functions?

THE PRESIDENT. I have been spending the last 5 years improving the administrative setup of the Federal Government, by reorganization plans and in other ways. We have an excellent and efficient administrative setup in the Federal Government, and there is no reason in the world why it can't operate successfully under all conditions.

Q. Mr. President, then I take it that you mean it wouldn't be a revival of OPA?

THE PRESIDENT. You can take it to mean that, if you like.

[13.] Q. Mr. President, Trygve Lie, in his report on the United Nations, said that the real crisis would come after we had won the Korean war—that is, a crisis in world affairs; and he recommended high level meetings between the East and West to solve that crisis. Are you in favor of such meetings? Do you think they would be useful?

THE PRESIDENT. I am in favor of anything that will contribute to the peace of the world.

Q. May I be more specific then, sir? If Trygve Lie were to take the initiative of suggesting such a meeting, would it have the approval of the United States Government?

THE PRESIDENT. I will answer that if the matter is put up to me. It hasn't been, as yet.

[14.] Q. Mr. President, a couple of weeks ago you told us that you felt wage and price controls and manpower allocations could come all at the same time as a part of total mobilization? You said at that time it was not in sight——

THE PRESIDENT. That is correct—not yet.

Q. It has not come in sight yet?

THE PRESIDENT. No.

Q. Mr. President, in that connection, the Senate and House Banking Committees apparently want to give you selective powers, if they are necessary. I understand the House is planning to take that, and I think the Senate wants to. Will you express an opinion or comment on that?

THE PRESIDENT. The House and Senate must legislate and put the matter up to me, and then I will comment on it. I have asked them for exactly what I want, very specifically.

[15.] Q. Mr. President, from those questions, it seems to me to bring up the old matter of another meeting between the heads of states?

THE PRESIDENT. Well, it is not necessary to bring it up, because there isn't going to be one.

Q. I wanted to make that clear.

Q. Mr. President, you make a distinction between possibly high level meetings and meetings between heads of states?

THE PRESIDENT. That's correct—that's correct.

[16.] Q. Mr. President, in connection with all-out mobilization, if there were need for control of transportation, could we take your answers to mean that you might use an agency like the Interstate Commerce Commission?

THE PRESIDENT. I certainly would.

[17.] Q. Mr. President, I believe we mentioned awhile ago the rejection of Martin Hutchinson. I wonder if you have any

comment on the four rejections by the Senate⁶——

THE PRESIDENT. No, I have no comment. Senatorial courtesy still works.

[18.] Q. Mr. President, it is only a little over 5 years ago that the first atomic bomb was dropped on Hiroshima. I wonder if, in the light of the past 5 years, you have any comment on the future of atomic energy?

THE PRESIDENT. No comment.

[19.] Q. Mr. President, I might have missed this—I might not have heard. Do you think that the United Nations meeting now would do any good——

THE PRESIDENT. Will you repeat that—will you repeat that, please? I didn't get it.

Q. Do you think that any good would come now of a meeting between the heads of states—of Russia and the Western Powers?

THE PRESIDENT. The United Nations is set up for that, for the purpose to which you refer. The United Nations Security Council is in session, and the Assembly will be in session in a very short time. That is the place for these things to be taken up.

[20.] Q. Mr. President, you referred to the Russian conduct in the United Nations as a filibuster, but——

THE PRESIDENT. Yes, that is correct.

Q. ——do you care to say what they are filibustering against?

THE PRESIDENT. Themselves principally, I think.

[21.] Q. I wanted to ask, have you heard

⁶ Four of President Truman's nominees for Federal office were rejected by the Senate on August 9: Frank E. Hook to the Motor Carrier Claims Commission, Martin A. Hutchinson to the Federal Trade Commission, and two Federal judges already sitting under "recess" appointments, Judges M. Neil Andrews of the Northern District of Georgia and Carroll O. Switzer of the Southern District of Iowa.

anything from Mr. Steelman⁷ on the progress of the mediation—conferences with the railroad and union heads?

THE PRESIDENT. Yes, I hear from Dr. Steelman every day, but I have no comment on what he has had to say.

⁷ John R. Steelman, Assistant to the President.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You are entirely welcome.

NOTE: President Truman's two hundred and thirty-fourth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:35 a.m. on Thursday, August 10, 1950.

210 Veto of Bill Relating to the Census in South Parkersburg, West Virginia. *August 11, 1950*

To the House of Representatives:

I return herewith, without my approval, H.J. Res. 461, "To provide that South Parkersburg, West Virginia, shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, West Virginia".

This enrolled resolution provides that South Parkersburg, West Virginia, which was not officially annexed to the city of Parkersburg until July 28, 1950, shall for purposes of the seventeenth decennial census be treated as part of Parkersburg, West Virginia.

The seventeenth decennial census was taken so as to reflect population, dwelling, and agricultural information as of April 1, 1950. The enactment of this resolution into law would single out the city of Parkersburg, West Virginia, for treatment different from that accorded approximately 18,000 other municipalities throughout the United States. Such special treatment is obviously contradictory to the spirit and intent of the constitutional and legislative requirements which provide for the seventeenth decennial census.

Under these circumstances, approval of this enactment would be an invitation to all other municipalities which have changed their city boundaries since April 1, 1950, to seek similar special legislative authority in

order to apply current annexations retroactively to April 1, 1950, for population purposes. At least 100 other municipalities are known to have completed annexations subsequent to April 1, 1950.

Special treatment of this type for specific municipalities would not only be administratively unfair and unsound, but if applied generally to several cities would add significantly to the cost of the Census and materially delay its compilation. In many cases it would be necessary to recanvass all or portions of annexed areas in order to establish accurate figures respecting population totals and dwellings within newly established boundaries.

While I have felt obliged, for the foregoing considerations, to withhold my approval from this measure, I recognize that there will, perhaps, be many occasions when users of population data for cities would like a convenient source of information concerning areas for which official boundaries have been changed. I am therefore requesting the Secretary of Commerce to make available a listing of all municipal annexation cases which have become effective within one year following April 1, 1950, and which have been reported to the Bureau of the Census by the appropriate authorities.

HARRY S. TRUMAN

211 Message to President Syngman Rhee on the Second
Anniversary of the Republic of Korea. *August 14, 1950*

ON THIS second anniversary of the proclamation of the Republic of Korea, which finds the United States and other members of the United Nations aiding your people in the common purpose of repelling a savage and ruthless Communist invader, I convey to Your Excellency and to the people of Korea the good wishes of the people of the United States. The American people have

watched with great satisfaction the impressive achievements of the Republic of Korea since its founding 2 years ago. I know that the aggressor will be repelled and that the people of Korea will achieve the freedom and independence which are their natural right. By a staunch adherence to the principles of right and democracy, victory is assured.

212 Statement by the President on the 100th Anniversary of the
Death of General José de San Martín. *August 16, 1950*

THE PEOPLE of the United States are honored to join the citizens of the other American republics in observing the 100th anniversary of the death of General José de San Martín, founder of Argentine independence, who led a liberating army across the Andes and gave freedom to Chile and Peru.

It has been said of San Martín that rather than a man he was a mission. His name represents the American ideal of democracy, justice, and liberty. His deeds have earned him a proud place in history. His memory is part of the spirit of freedom and independence in North and South America alike.

The solidarity of the Americas rests upon firm foundations. Not the least of these is the faith we inherited from San Martín and the other great figures of our past in the future of a free and enlightened humanity. It is no exaggeration to say that one of the warmest features of inter-American friendship and understanding is our mutual appreciation of the men who shaped our destinies.

San Martín was such a man.

While he is hailed today in Argentina as the first among his country's heroes, his memory is equally revered throughout the rest of the continent whose future was shaped in good part by his spectacular triumphs on the field of battle. In the United States, we honor him as much for his humanitarianism as for his achievements in action.

It does not detract from the other great heroes of the independence of the Americas to say that his impersonal devotion to the cause of freedom and his rejection of material honors make San Martín the personification of unselfish idealism.

It is fitting that we honor San Martín at a time when our sympathies and support go out to a new and far-off republic which is struggling for existence as it enters the third year of its life. The spirit of the "Great Captain," who placed his life at the service of liberty, is very much with us.

213 Letter to the Chairman, Senate Committee on Public Works,
on the Federal-Aid Highway Bill. *August 17, 1950*

My dear Senator Chavez:

I am writing you regarding the Federal-Aid Highway Bill (H.R. 7941), which has been reported by the Senate Committee on Public Works.

The bill, in its present form, would increase the Federal-aid highway program some \$120 million a year above the January Budget recommendations. In view of the rising cost of the defense program now contemplated, I am concerned about these increases in the highway program. Of course, the Committee's hearings on this legislation were held before the invasion of Korea and the Committee's report was filed before there was a clear indication of the budgetary requirements needed to meet the changed international situation. Because of the different circumstances which now exist, I would like to ask your Committee to consider recommending certain changes in the provisions of this bill, as reported, before it is finally acted upon by the Senate.

In view of our increased defense requirements, I have already directed the Federal agencies to review their programs for the purpose of modifying them wherever practicable to lessen demands for supplies and services in competition with defense needs. One of the programs under review is Federal aid for highway construction. This is one of our major activities in the field of civil public works.

By authorizing a material increase in the level of Federal highway aid, H.R. 7941 seems inconsistent with the effort to hold down non-defense spending. I believe it is essential that the amounts provided in the bill for the Federal-aid program be reduced

at least to the level of \$500 million originally recommended in my Budget Message and that the amounts earmarked for secondary roads be reduced at least to the level of \$150 million contained in the bill as passed by the House. In addition, I believe that Federal-aid funds should be limited to the Federal-aid system rather than used for local or county roads which are not a part of that system.

Furthermore, it would seem desirable that the present matching provisions requiring equal sharing by the States and the Federal Government be maintained for all projects. H.R. 7941 changes, in a number of important ways, the matching and other administrative provisions of prior Federal-aid highway legislation. These provisions have recognized the mutual interests of both the States and Federal Government in the improvement of important highways. The Federal-aid program has been very effective in the past and there seems to be no compelling reason to increase the Federal share in the program at this time.

The bill would also permit the use of Federal-aid highway funds which may become available in the future to retire bonds issued by State and local governments for certain road construction. It seems particularly undesirable for the Federal Government to encourage a general acceleration of road building by underwriting highway construction bonds at a time when we are attempting to conserve manpower and materials for our defense effort.

Finally, the \$25 million provided in the bill for access roads to military establishments, seems excessive at this time. These roads are intended to speed up traffic move-

ments to and from certain installations not now readily accessible. The need for these roads has been carefully reviewed within the Executive Branch and it appears that an authorization of \$10 million would be adequate for the construction of all access roads now urgently needed.

In light of the international situation and our increased defense requirements, I hope that your Committee will feel that it can

recommend changes in H.R. 7941 along the lines I have suggested.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Dennis Chavez, Chairman, Senate Committee on Public Works, Washington, D.C.]

NOTE: On September 7, 1950, the President approved the Federal-Aid Highway Act of 1950 (64 Stat. 785).

214 The President's News Conference of *August 17, 1950*

THE PRESIDENT. Be seated, please. I will try to answer questions. I have no statements to make.

[1.] Q. Mr. President, I think the trainmen and the conductors sent telegrams to you today, saying that they were starting strikes Tuesday on two specific railroads—not terminals, as they had called it before. I wondered if you had anything in mind on coping with those strikes?

THE PRESIDENT. I haven't received the telegrams. The railroad brotherhoods and the railroad management are negotiating—trying to reach an agreement here in Washington, but that is all I know about it. I have not received those telegrams.

Q. Are they actually negotiating?

THE PRESIDENT. Yes, they are—every day.

Q. Every day? I thought they had come to a deadlock and quit temporarily?

THE PRESIDENT. Well, you can check it. They are negotiating every day.

[2.] Q. Mr. President, there is some confusion about your views with respect to universal training. I wonder if you would straighten us out on it?

THE PRESIDENT. Well, Mr. Ross covered

that thoroughly this morning.¹ I noticed the ticker just before I came over here, and what he said is exactly correct and covers the situation completely.

[3.] Q. Mr. President, you have always been a backer of home rule for the District. The bill to get the home rule bill on the floor of the House lacks 15 or 20 signatures. Would you care to comment on how that might be pushed over?

THE PRESIDENT. Well, I would like very much, of course, to see the District get its home rule program. It will be a fine thing if they could get that bill out as promptly as they did that post office bill the other day—of which I am not in favor.

Q. Mr. President, does that mean that you will probably veto the post office bill?

THE PRESIDENT. Oh, we can't talk about that until it gets here. You see, it hasn't passed the Senate yet, and there are still a lot of maneuvers before I have to act on it.

¹ Charles G. Ross, Secretary to the President, had announced that while the administration reaffirmed its support of a universal military training bill the President would not press for its immediate enactment. See also Item 225.

I will make that decision when it comes before me, as always.

[4.] Q. Mr. President, going back to UMT, a Hill source said that your position was that you would not use UMT until after the Korean war, even if it were voted. Is that correct, sir?

THE PRESIDENT. Well, the situation with respect to UMT has been very capably covered by Charlie, and I don't want to get into that controversial matter. I am trying to get emergency legislation that is necessary in our present emergency passed, and this is a very controversial subject. My position on it has been made amply clear. You will find at least five messages to the Congress, and several letters to the chairmen of these committees, which explain exactly how I stand on the matter. I am for universal training, and always have been, but I don't see any reason now for cluttering up the Congress with another controversial matter when they seem to have controversy enough on what they have.

[5.] Q. Mr. President, in view of the announcement about Mayor O'Dwyer,² do you wish to make any general comment about United States relations with Mexico, or what you might hope a new Ambassador would do there?

THE PRESIDENT. Well, for several months Mayor O'Dwyer has been considering the Ambassadorship to Mexico. When I found

out that he was in a favorable frame of mind, I sent for him and offered it to him.

The relations with Mexico have always been on a very satisfactory basis. It is one of our friendliest neighbors—always has been.

[6.] Mr. Ross: I think there might be some confusion, Mr. President, about these railroad negotiations. The parties have temporarily separated. Dr. Steelman is still working on it to bring them back together again.

THE PRESIDENT. Charlie says that the railroad men and management have made temporary adjournment, but they have been communicating with each other every day. I know that because that is reported to me every day. They may not be sitting around a table together today, but they will come back together shortly.

[7.] Q. Mr. President, continuing that, if the question is permissible, could it be said whether this new appointment indicates any dissatisfaction with Ambassador Thurston?

THE PRESIDENT. Not at all. Not at all.

[8.] Q. Mr. President, do you know of any plans for expanding atomic energy facilities beyond what is announced already?

THE PRESIDENT. No.

[9.] Q. Mr. President, Congress recently passed the port security bill. Do you have any intention of invoking it on the Pacific coast soon?

THE PRESIDENT. We are getting up the orders now to put it into effect.

Q. What was the question, please, sir?

THE PRESIDENT. About the port security bill, implementing the port security bill—working on it now.

[10.] Q. Mr. President, the NSRB is drawing up a plan to disperse part of the Federal Government into Maryland and

² On August 15 Charles G. Ross, Secretary to the President, announced that Mayor William O'Dwyer of New York City would retire from that post on August 31, 1950, and would be appointed U.S. Ambassador to Mexico. The nomination was confirmed by the Senate on September 18.

Walter Thurston, Mr. O'Dwyer's predecessor as Ambassador, remained in Mexico City on the Embassy staff until April 3, 1951. At that time he returned to Washington to assume new duties as a special adviser on Latin American affairs for the Department of State.

Virginia. Are you going to send that up to Congress?

THE PRESIDENT. No.

Q. Does that mean that it is dead?

THE PRESIDENT. No.

Q. Does it mean that—

THE PRESIDENT. It means that I have it under consideration.

Q. Still under consideration?

THE PRESIDENT. Yes.

[11.] Q. Mr. President, the Republicans issued a statement the other day on foreign policy³—released Monday morning. I wonder if you would comment on it?

THE PRESIDENT. I have no comment to make on that statement. I am very much interested in the bipartisan foreign policy, and I hope it will continue in effect and very effectively as it has in the past.

[12.] Q. Mr. President, did you talk to Senator Lehman today?

THE PRESIDENT. Yes. I had a conversation with Senator Lehman on legislative matters and on the New York political situation, and I have no comment to make on what he told me. [*Laughter*]

Q. Do you think Senator Lehman will run again?

THE PRESIDENT. Well now, you will have to ask him that.

[13.] Q. Mr. President, ordinarily the campaign starts officially along about Labor Day. I just wondered if you have any speaking plans for Labor Day?

THE PRESIDENT. No, I have no speaking

plans. I have canceled all speaking dates. You know, I am very busy at the desk over here in the White House office, all the time and far into the night.

[14.] Q. Mr. President, Senator Wherry of Nebraska made the comment that the blood of our soldiers in Korea was on the shoulders of Secretary of State Acheson. Would you care to comment on the accuracy of that remark?

THE PRESIDENT. I think that is a contemptible statement and beneath comment.

[15.] Did you have a question you wanted to ask?

Q. Yes, sir—I am so busy writing. [*Laughter*]

THE PRESIDENT. It's all right.

Q. I wonder, Mr. President, do you intend to send any letter or message to Congress to define your feelings about UMT at this session? ⁴

THE PRESIDENT. You will find in the last two paragraphs of Secretary Johnson's letter the answer to your question.⁵

[16.] Q. Mr. President, would you permit this railroad situation to go to the point of a strike that would tie up the Nation's transportation?

THE PRESIDENT. I will answer that question if it should happen. I am hopeful that there will be a settlement.

[17.] Q. Mr. President, I wonder if you would mind putting what you said about Senator Wherry on the record—just the one sentence?

THE PRESIDENT. I said that the statement was a contemptible statement, beneath comment.

Q. I just wonder if we can quote that?

⁴ See Item 225.

⁵ According to reports in the press, Secretary of Defense Louis Johnson had sent a letter to Congress on August 17 expressing his approval of legislation on universal military training.

³ The statement, by the minority Members of the Senate Committee on Foreign Relations, was sharply critical of past and present policies of the Democratic administrations but pledged cooperation for final victory in Korea. It was signed by the following Republican Senators: Alexander Wiley of Wisconsin, H. Alexander Smith of New Jersey, Bourke B. Hickenlooper of Iowa, and Henry Cabot Lodge, Jr., of Massachusetts. The text is printed in the Congressional Record (vol. 96, p. 12436).

THE PRESIDENT. You can quote it verbatim.

Reporter: Well, thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and thirty-fifth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, August 17, 1950.

215 Letter to the President of the Senate on the Defense Production Bill. *August 18, 1950*

Dear Mr. Vice President:

I have been following with keen interest the progress of the Defense Production Bill which passed the House last week and is now being debated in the Senate. As matters now stand, I am much concerned about the outcome.

Two things seem to be happening. First, the powers for which I asked, on July nineteenth, in order to meet the immediate situation, are being whittled down in certain important respects. Second, it appears that the price and wage controls which the Congress proposes to add, may be so circumscribed by a host of detailed limitations and provisos as to confuse and hamper administration should it become necessary to invoke them.

It would be tragic if the Congress were to reject controls we need right now, while voting stand-by measures which could neither do the current job, nor be applied successfully to the contingencies which may arise.

Our chief problem now is to increase defense production, in an economy already running close to capacity, without bringing on inflation. Our aim should be to check inflation at its source. The production aids and credit controls which I have recommended to the Congress are vital for this purpose.

But these powers may not be granted in full. Control of commodity speculation, for example, has now been dropped from both Senate and House bills. Control over credit on existing housing has also been eliminated.

Amendments now pending in the Senate would weaken the production features of the legislation. Actions of this sort tend to weaken the effectiveness of the whole program and bring us closer to the day when we might have to clamp down general price and wage controls.

If that were to happen we could ill afford to have an unworkable law on the books. Yet that is just what threatens to occur. In the course of debate on the bill, the Senate has been flooded with amendments to the price-wage provisions reported by the Banking and Currency Committee. These provisions were generally sound and workable, providing a flexible framework for whatever action might be required under future conditions. Unfortunately, some of the amendments offered from the floor are intended to assure some special treatment or privilege for a particular industry or commodity. Paradoxically, many of these provisos are carbon copies of amendments added to the last price control law in 1945 and 1946, in order to relax controls, as we neared the time of their final removal.

I am keenly aware of the difficulties which have confronted the Congress in attempting to speed action on this complex legislation. I know of the hard work and careful thought which the Banking and Currency Committee has put into preparation of the bill now before the Senate. I would not wish for a moment to detract from the caliber of the over-all result. It would undoubtedly be useful to have stand-by powers which were broad enough and flexible enough to work in

any situation which might arise. But if many of these amendments are added to the Senate bill, its price-wage provisions will fail completely to meet that description. The enactment of inflexible, patchwork price controls would be a dangerous deception.

Therefore, it is my earnest hope that the Senate will reject the numerous special-purpose amendments proposed for the price control provisions of the bill. I would also

urge strongly that the Senate approve the full range of powers recommended on July nineteenth.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Alben W. Barkley, the Vice President of the United States]

NOTE: On September 8, 1950, the President approved the Defense Production Act of 1950 (64 Stat. 798).

216 Veto of Bill To Amend the War Contractors Relief Act.

August 21, 1950

To the Senate of the United States:

I return herewith, without my approval, S. 3906, "To amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes."

S. 3906 was passed as a substitute for H.R. 3436, 81st Congress, which I was compelled to disapprove on June 30, 1950. It is said that the bill meets the objections I interposed to H.R. 3436. I regret to inform the Congress that it does not.

When the provisions of this bill are read in the light of the statements respecting their purpose which appear in the committee reports (S. Rept. No. 2052, H. Rept. No. 2782) and also in the Record (96 Cong. Rec. 10124, 11224), I think it clear that they serve to transform the War Contractors Relief Act into a general statute of indemnification against loss on Government contracts held during the war years, and do not merely obviate what the Congress regards as "technicalities" that have arisen in the course of administering the Act. It was this same undesirable purpose that mainly prompted my disapproval of H.R. 3436.

While it is evident that an attempt has been made to adopt certain of the clarifying amendments to the War Contractors Relief Act which I suggested, it is likewise evident that no attempt has been made to limit their scope to claims or requests for relief that would have been granted under the First War Powers Act of 1941 but for the termination of hostilities with Japan on August 14, 1945. Indeed, the committee reports negative the possibility of any such restricted interpretation of the amendments. The bill, moreover, would not preclude the reopening of an indeterminate number of cases that have been settled under the First War Powers Act or the Contract Settlement Act of 1944.

In the absence of these limitations, the provisions of the present measure and their legislative background are quite sufficient to accomplish what I consider to be a total departure from the intent and scope of the War Contractors Relief Act. I refer particularly to the proposed "definition of a request for relief" in paragraph (2), which greatly relaxes the existing requirement that claims be founded upon a specific application for the extraordinary relief which was allowable under the First War Powers Act, and to the similar language in paragraph

(3) relating to the claims of subcontractors.

It was not the purpose of the First War Powers Act to relieve contractors because of loss, or to indemnify them against loss. On the contrary, that Act authorized the granting of relief because it would assist in obtaining needed war production and thereby "would facilitate the prosecution of the war." In my opinion, the sole objective of the War Contractors Relief Act was to afford a basis for the continued processing of those relatively few requests for First War Powers Act relief which were still pending on August 14, 1945, and could not be handled by the war agencies after that date without additional statutory authority. I am plainly supported in this opinion by the legislative history of the War Contractors Relief Act, to which I expressly invite the attention of the Congress (S. Rept. No. 1669, H. Rept. No. 2576, 79th Congress; 92 Cong. Rec. 9092).

In the veto message on H.R. 3436 (H. Doc. No. 629, 81st Congress) my position in this matter was clearly stated, as follows:

I cannot accept the contention that the purpose of the War Contractors Relief Act . . . was other than to provide a basis for relief to those contractors whose cases would have been handled under the First War Powers Act if war had not ended. Had I believed there was a broader purpose, I would not have issued the kind of regulations which were promulgated in Executive Order 9786. These regulations were a faithful attempt to interpret the language of the act as affording nothing more than a statutory basis for the continued processing of written applications for relief under the First War Powers Act which were pending and undisposed of on August 14, 1945. . . .

H.R. 3436, and the reports recommending its enactment, would radically change the basic purpose of the original War Contractors Relief Act. I believe that in spite

of any administrative interpretation which might be made to limit the effects of the bill, its provisions not only require reconsideration of all claims originally filed, but might also be construed to permit reopening of an unknown number of cases settled under the First War Powers Act and the Contract Settlement Act. . . .

I further stated that the net effect of a bill which would relax the requirements for filing notice contained in the War Contractors Relief Act and the regulations thereunder, permit the granting of relief beyond that afforded by the First War Powers Act, and exclude the finality of settlements made under the First War Powers Act and the Contract Settlement Act of 1944—would be to write into law the principle of Government insurance against all wartime net losses incurred by contractors providing goods and services to the Government.

Endowed as it is with a legislative history that makes the fact obvious, it is beyond question that these comments are equally pertinent to S. 3906.

Some time ago I informed the Congress of my belief that it would be a grave error to introduce this principle of insurance against loss on Government contracts; its implications "are profound, both with respect to our finances and with respect to our free-enterprise system;" and it would involve "reopening the entire program of financing the war, with incalculable effects upon our finances." I reiterated these views in the veto message on H.R. 3436. Considering the even greater demands upon our finances necessitated by the international developments that have occurred since then, it seems to me that their rightness is not even debatable at present. I therefore adhere to them.

Aside from the matter of finances I should like to add, also, that I cannot subscribe to the notion apparently held in some quarters that legislation of this kind is re-

quired to assure contractors of fair and equitable treatment at the hands of their Government. The well-known record of Government contracting during World War II is, in my opinion, monumental evidence that contractors were accorded eminently fair treatment, by all known standards of law and equity. I am confident they do not expect, or want, the Government to now embark upon a program of underwriting the element of risk that is a normal incident of any contractual undertaking for profit.

Such a program, among other things, would destroy the existing system of competitive bidding which is an integral part of our free-enterprise economy, and it would virtually annihilate any incentive to perform efficiently.

For the foregoing reasons, I am constrained to withhold my approval from S. 3906.

HARRY S. TRUMAN

NOTE: See also Item 183.

217 The President's News Conference of *August 24, 1950*

THE PRESIDENT. Please be seated.

I have a couple of announcements to make. The copies of these announcements will be available to you later.

[1.] The following named persons are to be the Representatives of the United States in the Fifth Session of the General Assembly of the United Nations:

[At this point the President summarized a statement the full text of which appears as Item 219.]

[2.] Now I am announcing the appointment of Mr. Walter J. Donnelly to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Austria, and concurrently United States High Commissioner for Austria.¹

I would like to welcome the several Austrian journalists who are visiting in this country and who have been invited to attend this press conference. I hope that they are having an enjoyable stay here in America, and I am happy to be able to make an announcement that concerns their country this morning while they are here.

Q. Mr. President, I never know how to spell anybody's name. Walter J. Donnelly,

how does he spell it?

THE PRESIDENT. Well, I will spell it for you—D-o-n-n-e-l-l-y. You know how to spell "Walter," don't you?

Q. Yes, sir. *[Laughter]*

THE PRESIDENT. All right.

Q. Mr. President, what was Mr. Donnelly's last job?

THE PRESIDENT. Ambassador to Venezuela. Q. Venezuela?

THE PRESIDENT. He is Ambassador to Venezuela right now. He is being transferred to Austria.

[3.] Q. Mr. President, what are you going to do about the railroad strike?

THE PRESIDENT. Well, it has happened very suddenly and unexpectedly, and I will have to take the matter under consideration and give you an announcement on that later.²

[4.] Q. Mr. President, in view of Mr. Donnelly's appointment—have you decided on an Ambassador to Venezuela?

THE PRESIDENT. No, that decision has not been made yet. It will be announced as soon as it is made.

[5.] Q. Mr. President, there are rumors around of the possibility of several ambassa-

¹ See Item 218.

² See Item 221.

dorial appointments in Latin American areas.

THE PRESIDENT. That's right, there are rumors rife all the time. I have seen everything that is going to happen in the papers for the next 2 months, but then you had better wait until what the action is, before you decide that they are true.

[6.] Q. Mr. President, do you think the announcement on the railroad situation will come today?

THE PRESIDENT. I can't answer that question right now. I will have to consider the situation further. I had no idea that the strike was going to take place, so I can't discuss it until I am more familiar with the reasons why it did—it is announced. It has not taken place yet, and I hope it won't.

Q. Mr. President, you say it came suddenly and unexpectedly. Had you been given some assurance that there would not be a strike?

THE PRESIDENT. Yes. I had definite assurance that there would not be.

Q. From whom, sir?

THE PRESIDENT. From the railroad unions, and the railroad managers—both.

Q. Mr. President, how recent was that assurance made?

THE PRESIDENT. Within the last 2 or 3 days. It was in all the columns of the papers in the last 2 or 3 days.

[7.] Q. Mr. President, do you know whether the \$4½ billion budgeted for the Korean war will be enough this year?

THE PRESIDENT. I can't answer that question.

[8.] Q. Mr. President, we got the impression yesterday afternoon that such an assurance had been given the White House up to as late as an hour or more, or perhaps less.

THE PRESIDENT. I think that is true. I think that is true. I am sure it is true.

[9.] Q. Mr. President, when the new Ambassador to Mexico, Ambassador

O'Dwyer, goes down there, will he take the Mexican oil loan paper with him?

THE PRESIDENT. I can't answer that question. You will have to ask him. He will tell you when he gets ready to go.

[10.] Q. Mr. President, Secretary Snyder seems to believe that efforts should be made to keep the interest on the Federal debt at about the same level, and that the Federal Reserve Bank should not encourage any increase in the interest on the Federal debt. Do you agree with that?

THE PRESIDENT. I have no comment.

[11.] Q. Mr. President, there have been reports that the administration may revive a new price control bill in this session as a substitute for what they put in the defense bill last week. Do you have any desires on that question—

THE PRESIDENT. I have no comment on that. I can't comment on that legislation until it comes to me for consideration, because you can't tell what a bill will contain until it goes through the conference and comes to the White House. Usually bills of that sort contain everything but the kitchen stove, and sometimes they have to put that in, and then take it out.

[12.] Q. Mr. President, will you allow the Senate wiretapping committee to have Lieutenant Shimon's income tax reports? *

THE PRESIDENT. It has not been requested of me.

Q. Senator Pepper said he would ask you for it.

THE PRESIDENT. When he asks me for it, I will give him the answer.

* Joseph W. Shimon, Washington police lieutenant. On August 17, 1950, two Washington detectives testified before the Senate wiretapping subcommittee that they had been assigned by Lieutenant Shimon to tap the telephone conversations of airplane manufacturer Howard Hughes during a Senatorial investigation in 1947. At that time Mr. Shimon was chief investigator in the United States Attorney's office.

[13.] Q. Mr. President, the technical industries are asking you to call off the tariff production conference in England next week. Are you planning to have it—

THE PRESIDENT. No, I am not planning to have it called off.

[14.] Q. Mr. President, how do you feel about those reports that Franco Spain—

THE PRESIDENT. What's that?

Q. How do you feel about the Senate vote to force a loan to Franco Spain?

THE PRESIDENT. I expressed my opinion of that at the last press conference. I don't like it.

[15.] Q. Mr. President, there is a story, fairly widely printed this morning, that Mr. William Henry Harrison, president of the I.T. & T., is going to head the Priorities and Allocations Division of the Commerce Department?

THE PRESIDENT. That is news to me.

[16.] Q. Mr. President, the Philippine Ambassador informed the Secretary of Defense of the readiness of the Philippines to send 1,200 soldiers to Korea. Do you wish to comment?

THE PRESIDENT. I am very happy to hear that, of course. We want all our allies in the fighting and shooting part of this unpleasantness, and I hope as many of them will come in as is possible.

[17.] Q. Mr. President, I understand you recently received a letter from Congressman Cole,⁴ relative to an RFC loan to Lustron. Do you have any comment on that?

THE PRESIDENT. I didn't hear the question. Will you please repeat it?

Q. I understand that you recently received a letter from Congressman Cole of Kansas, relative to an RFC loan to Lustron, calling your attention to that. I wonder if you have any comment?

THE PRESIDENT. I have received no such

letter. It is customary for Congressmen, when they are running for office, to write letters to the President and give them to the press long before he ever receives them.

[18.] Q. Mr. President, was this provision in the economic control bill, placing priorities and allocations under the Secretary of Commerce, satisfactory with you?

THE PRESIDENT. It was not.

Q. There is a report, sir, that your Secretary of Commerce lobbied for that.

THE PRESIDENT. That report is absolutely without foundation. The Secretary of Commerce is in complete agreement with the President on what he asked for.

[19.] Q. Mr. President, will the Secretary of State go to New York to attend the General Assembly meeting?

THE PRESIDENT. I have an idea that the Secretary of State will be there on occasion, if it is necessary. He is not a delegate necessarily, but he is always welcome if he wants to go there. He has my permission to go, if he wants to.

[20.] Q. Mr. President, it is said that this matter of conducting controls through the Secretary of Commerce will give the advantage to business over labor and other elements of our society. Do you think that is true?

THE PRESIDENT. Who says that?

Q. It is said around the Capitol—

THE PRESIDENT. That's just one of those wild rumors. I have no comment.

Q. Do you think that is true?

THE PRESIDENT. I have no comment on it.

[21.] Q. Mr. President, I don't anticipate your statement that you might have on the railroad situation, but I wonder if you would say that the tactics used under those circumstances was a doublecross—

THE PRESIDENT. Now, Bob,⁵ I don't want you to be putting words in my mouth.

⁴ Representative Albert M. Cole of Kansas.

⁵ Robert G. Nixon of International News Service.

When the statement comes out, why it will contain everything that is necessary. I am not making any statement this morning.

Q. Thank you, sir. [*Laughter*]

[22.] Q. Mr. President, do you share with Secretary Johnson the feeling that the Korean war will be over in 6 to 8 months?

THE PRESIDENT. There is nothing certain on prophecies for military maneuvers. I have no comment to make on that question.

[23.] Q. Mr. President, I wonder if you noticed that the British are taking, I believe it is, 60-some of their ships out of their moth-

ball fleet. Have you been informed of that?

THE PRESIDENT. Not officially. All I know is what I have seen in the papers.

Q. I just wonder if you have any reaction to it—that was announced last night?

THE PRESIDENT. Well, I am happy that they are doing it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. All right.

NOTE: President Truman's two hundred and thirty-sixth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:35 a.m. on Thursday, August 24, 1950.

218 Statement by the President Upon Nominating Walter J. Donnelly as Minister and U.S. High Commissioner for Austria. *August 24, 1950*

I AM today sending to the Senate of the United States the nomination of Mr. Walter J. Donnelly of Washington, D.C., to be Envoy Extraordinary and Minister Plenipotentiary of the U.S.A. to Austria and concurrently U.S. High Commissioner for Austria.

The designation of Mr. Donnelly is based on the decision of the three Western Foreign Ministers at their London meeting on May 18, 1950, "to proceed at an early date to appoint civilian high commissioners in Austria in accordance with the provisions of Article 9 of the Control Agreement of June 28, 1946."

The Governments of the United Kingdom and France have previously announced the appointments of Sir Harold Caccia and M. Jean Payard, respectively.

The three Western Powers have taken this step because in the absence of an Austrian treaty—blocked by the Soviet Union—they are determined to carry out such measures as may properly be taken to strengthen within the framework of existing quadripartite agreement the authority of the Austrian

Government and to lighten the burden of occupation on Austria to the greatest possible extent.

Ambassador Donnelly is a career diplomat who has had a long and distinguished record of service in Canada and Latin America. He was a member of the U.S. Delegation to the Rio de Janeiro Conference in 1947 and the Bogotá Conference in 1948, and for the past 4 years he has served brilliantly as United States Ambassador to Venezuela. I have selected Mr. Donnelly for this new and challenging assignment because of his long and outstanding record of public service and achievement.

As Minister he will be accredited to the Austrian Government and as High Commissioner he will represent the U.S. in the Allied Commission for Austria. He will succeed John G. Erhardt, now Ambassador to the Union of South Africa, as Minister to Austria, and Lt. Gen. Geoffrey Keyes, who will retire in October, as High Commissioner. The U.S. occupation forces in Austria will be commanded by Maj. Gen. Leroy Irwin.

219 Statement by the President Upon Nominating U.S.
Representatives to the Fifth Session of the U.N.
General Assembly. *August 24, 1950*

I AM today nominating the following persons to be Representatives of the United States of America to the Fifth Session of the General Assembly of the United Nations, to be held at New York, N.Y., beginning September 19, 1950: Warren R. Austin of Vermont, Mrs. Anna Eleanor Roosevelt of New York, John J. Sparkman, United States Senator from the State of Alabama, Henry Cabot Lodge, Jr., United States Senator from the State of Massachusetts, John Foster Dulles of New York.

The following are being nominated to be Alternate Representatives of the United States of America to the Fifth Session of the General Assembly of the United Nations, to be held in New York, N.Y., beginning September 19, 1950: Benjamin V. Cohen of New York, John Sherman Cooper of Kentucky, Ernest A. Gross of New York, Edith S. Sampson of Illinois, John C. Ross of New York.

The Secretary of State will be head of the delegation, and in his absence Ambassador Austin as senior representative of the United

States will serve as chairman of the delegation.

The nomination of Senator John J. Sparkman and Senator Henry Cabot Lodge, Jr., to serve as representatives represents a return to the practice of having members of Congress participate in the delegation to the General Assembly.

The selection of Senator Sparkman and Senator Lodge has been made after consultation with the leaders in the Senate Foreign Relations Committee, and upon the basis of including Senators who are not up for reelection this fall. It has been agreed with the leaders of the Foreign Relations Committee of the Senate and of the Foreign Affairs Committee of the House of Representatives that two members of the House of Representatives shall be nominated to serve on the delegation to the General Assembly next year. The participation in the delegation of a Republican and a Democratic Senator represents another step in the bipartisan foreign policy.

220 Letter to the Speaker on the Appropriation for
Foreign Aid. *August 25, 1950*

Dear Mr. Speaker:

The importance of the Point IV appropriation in the struggle against communist imperialism cannot be overemphasized.

Although the amount involved is relatively small in terms of dollars, the Point IV program has come to be a symbol of hope for millions of people all over the world. In countries where the choice between communist totalitarianism and the free way of life is in the balance, this program can tip the

scales toward the way of freedom.

The advance agents of the communist conspiracy loudly promise the peoples of these countries a better way of life. We know that communism cannot deliver on these promises. We know that the way of freedom actually can and will provide a better life for people everywhere. But only through such action as the Point IV program can we demonstrate that fact in concrete and practical terms.

If the reduction made by the conference committee in the amount appropriated by the Senate for Point IV is allowed to stand, it will largely destroy the program's effectiveness. More than that, it will be regarded throughout the world as evidence that this country cannot be depended upon to help the millions of people in the underdeveloped areas of the world in bettering their lot. This attempt to save some ten million dollars will do more for the communists in their attack on the free world than the hundreds

of millions of dollars of their own propaganda.

At a time when we are calling upon our young men to go into battle in the cause of freedom, I can conceive of no more tragic blunder than to throw away this opportunity of doing so much to strengthen the cause of freedom at such little cost.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Sam Rayburn, The Speaker, The House of Representatives]

221 Statement by the President Upon Issuing Order Taking Control of the Nation's Railroads. *August 25, 1950*

I HAVE today issued an Executive order, providing for taking over the country's railroads at 4 p.m., eastern standard time, on August 27, 1950, and providing for their operation by the Secretary of the Army in the name of the United States Government.

A nationwide strike has been called for 6 a.m., Monday, August 28, by two of the railroad labor organizations—the Brotherhood of Railroad Trainmen and the Order of Railway Conductors. These unions have declined to accept the findings and recommendations of an emergency board created by the President under the Railway Labor Act. In the strike situation thus confronting us, governmental seizure is imperative for the protection of our citizens.

It is essential to the national defense and the security of the Nation, to the public health, and to the public welfare generally that every possible step be taken by the Government to assure to the fullest possible extent continuous and uninterrupted transportation service. Accordingly, I intend to take all steps necessary to assure the con-

tinued operation of the railroads.

I call upon every railroad work to cooperate with the Government by remaining on duty. I call upon the officers of the railroad labor organizations to take appropriate action to keep their members at work.

The Executive order I have issued provides that, until further order of the President or the Secretary of the Army, the terms and conditions of employment now in effect on the railroads shall continue in effect, without prejudice to existing equities or to the effectiveness of such retroactive provisions as may be included in the final settlement of the disputes between the carriers and the workers.

NOTE: The President referred to Executive Order 10155 "Possession, Control, and Operation of Certain Railroads" (3 CFR, 1949-1953 Comp., p. 331).

The dispute ended on May 21, 1952, when the three operating unions, the Brotherhood of Locomotive Firemen, the Order of Railway Conductors, and the Brotherhood of Locomotive Firemen and Enginemen, accepted the terms arranged by the Government. On May 23, 1952, the railroads were returned to their owners after having been operated by the U.S. Army for a period of 21 months.

222 Letter to the Chairman, Senate Committee on Foreign Relations, Urging Early Ratification of the Genocide Convention. *August 26, 1950*

My dear Senator Connally:

Ambassador Austin, the United States Representative to the United Nations, has transmitted to me a note from the Ambassador to the Republic of Korea with respect to the Convention on the Prevention and Punishment of Genocide. I enclose a copy of this note for your information. As you will see, the note points out that this convention is a very important instrument since it brings under the protection of international law both small nations and religious groups. The Ambassador of Korea calls attention to the imminent danger to the Christian population of Korea from the communist invaders.

This tragic situation brings out the need for the free and civilized nations of the world to cooperate in outlawing this shocking crime of deliberate extermination of entire national, ethnical, racial or religious groups. Genocide has not occurred in the United States, and I cannot believe that it would ever occur here. But in other parts of the world various national and religious groups still face this threat. These unfortunate people need whatever help can be given them by the more fortunate nations of the world. In ratifying the Genocide Convention, we will let the world know that the United States does not condone mass atrocities any more now than in the past, and we will indorse the principle that such conduct is criminal under international law. This action by the United States will at least be a deterrent to the rulers of certain countries who consider genocide a justifiable

means to promote their political objectives. I also regard speedy ratification of the Genocide Convention as essential to the effective maintenance of our leadership of the free and civilized nations of the world in the present struggle against the forces of aggression and barbarism.

In view of your own distinguished service in the establishment and subsequent operations of the United Nations, I know that you particularly appreciate the importance of our maintaining our prestige in that organization. I sincerely hope that the Senate Foreign Relations Committee will report favorably on the Genocide Convention within the next few days, and that the Senate will also take favorable action, and that the United States may become a party to the Genocide Convention before the next session of the General Assembly of the United Nations.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Tom Connally, Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.]

NOTE: The note from Korean Ambassador John M. Chang, urging early U.S. ratification of the Genocide Convention, was released with the President's letter.

The United States is not a party to the Convention. As of January 1965 it was still pending before the Senate Committee on Foreign Relations. The text of the Convention is printed in the Department of State Bulletin (vol. 19, p. 756) and in Executive O (81st Cong., 1st sess.).

For the President's message to the Senate transmitting the Convention, see 1949 volume, this series, Item 121.

223 Letter to Ambassador Warren Austin Restating the U.S.
Position on Formosa. *August 27, 1950*

Dear Warren:

As I told you on the telephone this morning I want to congratulate you on your able presentation of the views of the United States Government in the Security Council of the United Nations from the first onset of the aggression against the Republic of Korea. Throughout the entire course of the proceedings you have represented this Government with great effectiveness and in full accordance with my directions.

The letter which you addressed to the Secretary General of the United Nations on August 25 on the subject of Formosa admirably sums up the fundamental position of this Government as it had been stated by me on June 27 and in my message to the Congress on July 19. You have clearly set forth in that letter the heart and essence of the problem. You have faithfully set down my views as they were then and as they are now.

To the end that there be no misunderstanding concerning the position of the Government of the United States with respect to Formosa, it may be useful to repeat here the seven fundamental points which you so clearly stated in your letter to Mr. Lie.

“(1) The United States has not encroached on the territory of China, nor has the United States taken aggressive action against China.

“(2) The action of the United States in regard to Formosa was taken at a time when that island was the scene of conflict with the mainland. More serious conflict was threatened by the public declaration of the Chinese Communist authorities. Such conflict would have threatened the security of the United Nations forces operating in Korea under the mandate of the Security Council to repel the aggression on the Re-

public of Korea. They threatened to extend the conflict through the Pacific area.

“(3) The action of the United States was an impartial neutralizing action addressed both to the forces on Formosa and to those on the mainland. It was an action designed to keep the peace and was, therefore, in full accord with the spirit of the Charter of the United Nations. As President Truman has solemnly declared, we have no designs on Formosa, and our action was not inspired by any desire to acquire a special position for the United States.

“(4) The action of the United States was expressly stated to be without prejudice to the future political settlement of the status of the island. The actual status of the island is that it is territory taken from Japan by the victory of the Allied forces in the Pacific. Like other such territories, its legal status cannot be fixed until there is international action to determine its future. The Chinese Government was asked by the Allies to take the surrender of the Japanese forces on the island. That is the reason the Chinese are there now.

“(5) The United States has a record through history of friendship for the Chinese people. We still feel the friendship and know that millions of Chinese reciprocate it. We took the lead with others in the last United Nations General Assembly to secure approval of a resolution on the integrity of China. Only the Union of the Soviet Socialist Republics and its satellites did not approve that resolution.

“(6) The United States would welcome United Nations consideration of the case of Formosa. We would approve full United Nations investigation here, or on the spot. We believe that United Nations considera-

tion would contribute to a peaceful, rather than a forceable solution of that problem.

"(7) We do not believe that the Security Council need be, or will be, diverted from its consideration of the aggression against the Republic of Korea. There was a breach of the peace in Korea. The aggressor attacked, has been condemned, and the combined forces of the United Nations are now in battle to repel the aggression.

"Formosa is now at peace and will remain so unless someone resorts to force.

"If the Security Council wishes to study the question of Formosa we shall support and assist that study. Meanwhile, the President of the Security Council should discharge the duties of his office and get on with the

item on the agenda, which is the complaint of Aggression Against the Republic of Korea, and, specifically, the recognition of the right of the Korean Ambassador to take his seat and the vote on the United States resolution for the localization of the Korean conflict."

These seven points accurately record the position of the United States.

In the forthcoming discussion of the problem in the Security Council you will continue to have my complete support.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable Warren R. Austin, United States Representative in the United Nations, 2 Park Avenue, New York, New York]

224 Statement by the President Upon Signing the Social Security Act Amendments. *August 28, 1950*

I HAVE today approved H.R. 6000, the Social Security Act Amendments of 1950. These amendments greatly strengthen the old-age and survivors insurance system and the public assistance programs originally established by the Social Security Act of 1935.

The passage of this legislation is an outstanding achievement. In this act the 81st Congress has doubled insurance benefits and brought 10 million more persons under old-age and survivors insurance—including those whose insurance rights were taken away by the 80th Congress. Millions of others will benefit from the new public assistance provisions giving help to the disabled and to dependent children. For the first time American citizens in Puerto Rico and the Virgin Islands will be covered under both the insurance and assistance programs. In addition, veterans of World War II will now receive wage credits for military service in computing their insurance benefits.

This act will help a great many people

right away. Three million aged persons, widows, and orphans will receive increased insurance benefits beginning with the month of September. A million more will begin to receive increased payments within the next few months. Nearly 3 million needy persons will benefit from increased Federal aid to the States for public assistance purposes.

By making it possible for most families to obtain protection through the contributory insurance system, and by increasing insurance benefits, the act will ultimately reduce dependence on public charity. This measure demonstrates our determination to achieve real economic security for the American family. This kind of progressive, forward-looking legislation is the best possible way to prove that our democratic institutions can provide both freedom and security for all our citizens.

We still have much to do before our social security programs are fully adequate. While the new act greatly increases coverage, many

more people still need to be brought into the old-age and survivors insurance system. Expanded coverage and increased benefits in old-age insurance should now be matched by steps to strengthen our unemployment insurance system. At the same time, we urgently need a system of insurance against loss of wages through temporary or permanent disability. These and other vital improvements in our social security laws are needed in addition to the act which I have signed today. I shall continue to urge action on this unfinished business and I know that the committees of Congress are now preparing to give these matters serious consideration.

There is one very unfortunate feature in the new law. This is the so-called Knowland amendment, tacked on as a rider in the Senate. It may result in undermining the safeguards enacted by the Congress to protect workers against loss of unemployment insurance benefits if they refused to accept employment at substandard wages or working conditions. This amendment has nothing

whatever to do with old-age insurance or public assistance, the main subjects of the new law. While the other provisions of the bill were the product of thorough consideration in the committees of both Houses, neither committee ever had an opportunity to hold hearings on the Knowland amendment. I trust that the Congress will reconsider this ill-advised provision and will act promptly to remove it from the social security laws.

Both the House Committee on Ways and Means and the Senate Committee on Finance have already announced that they intend to study proposals for further improvement in our social security programs. Members of these committees have worked long and faithfully on the act which I have signed today. I am confident that their future efforts will be equally productive in advancing social security in this country.

NOTE: As enacted, H.R. 6000 is Public Law 734, 81st Congress (64 Stat. 477).

225 Letter to Committee Chairmen on Universal Military Training. *August 29, 1950*

Dear _____:

Pursuant to our conversation today, I am furnishing you my views about the pending universal training legislation.

I am very much in favor of universal training legislation. The record will show that for the past five years I have repeatedly recommended that the Congress enact legislation of this character. I am just as strongly in favor of it today as I have ever been.

However, the realities of the situation are that if such legislation were enacted tomorrow it could not possibly be put into effect at once. A universal training program would require many training camps and other installations and scores of thousands of experi-

enced military personnel for training purposes. In view of the demands made on our military forces by the Korean aggression, it is clear that we could not possibly make available the installations and trained military manpower to put a universal training program into operation at this time or in the immediately foreseeable future. Accordingly, it does not seem to me immediately necessary for the Congress to enact universal training legislation.

Legislation of this character, however, should be placed on the statute books at an early date so that we can put it into operation as soon as circumstances permit. Accordingly, I hope that your Committee will con-

tinue its active consideration of this legislation with a view to seeking final action on it in January.

I am sending a similar letter to ———.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Millard E. Tydings, Chairman of the Senate Armed Services Committee, and to the Honorable Carl Vinson, Chairman of the House Armed Services Committee.

On June 19, 1951, the President approved the Universal Military Training and Service Act (65 Stat. 75).

226 Message to General MacArthur Regarding the Withdrawal of the General's Message to the Veterans of Foreign Wars. *August 29, 1950*

I AM sending you for your information the text of a letter which I sent to Ambassador Austin dated August 27. I am sure that when you examine this letter, and the letter which Ambassador Austin addressed to Trygve Lie on August 25 (a copy of which I am told was sent your headquarters that night), you will understand why my action of the 26th in directing the withdrawal of your message to the Veterans of Foreign Wars was necessary.

General Collins and Admiral Sherman have given me a comprehensive report of

their conversations with you and of their visit to the United Nations forces now fighting under your command in Korea. Their reports were most satisfactory and highly gratifying to me.

NOTE: General MacArthur's message, in the form of a letter to Clyde A. Lewis, commander in chief of the Veterans of Foreign Wars of the United States, was to have been read at the national encampment of the VFW in Chicago. It is printed in the Congressional Record (vol. 96, pp. 13575 and 13657).

For the President's letter to Ambassador Austin, which includes a summary of Mr. Austin's letter to Trygve Lie, see Item 223.

227 Letter to Senator Flanders on the Appropriation for the Campaign of Truth. *August 30, 1950*

Dear Senator Flanders:

I have studied with interest the letter of August eighteenth, signed by you and 27 other Senators, calling for "total engagement of our psychological and spiritual forces." It is gratifying to have this expression of support for the Campaign of Truth which we are now waging throughout the world.

As you know, I have for many years consistently urged the expansion of our activities in the field of international information and education. The Voice of America, through its radio broadcasts, has produced concrete results in giving the facts about the United

States to people all over the world. The Government's films, publications, libraries, overseas information centers, and exchange of persons activities have given the world a clearer understanding of this country's progress and ideals. Week by week, there is increasing evidence that our program for getting the truth to people on both sides of the iron curtain is successful and can be made even more successful.

On April 20 of this year, I issued a public call for a greatly expanded Campaign of Truth. At that time, I stated:

"Because of the pressing need to increase

our efforts along this line, I have directed the Secretary of State to plan a strengthened and more effective national effort to use the great power of truth in working for peace. This effort will require the imagination and energies of private individuals and groups throughout the country. We shall need to use fully all the private and governmental means that have proved successful so far—and to discover and employ new ones. . . .

“We must make ourselves known as we really are—not as communist propaganda pictures us. We must pool our efforts with those of the other free peoples in a sustained, intensified program to promote the cause of freedom against the propaganda of slavery. We must make ourselves heard round the world in a great campaign of truth.”

The Secretary of State, in testifying on the Benton Resolution, has also expressed the need for strengthening the information and educational exchange program.

Fortunately, the Government has been able to draft for service in this campaign a number of outstanding men whose qualifications for the work have been widely hailed by the press and public. We are continuing to bring into the Government men with wide experience and vision who can lend new vigor to this important activity. With the cooperation of two distinguished advisory commissions, we are setting up panels of consultants in order to draw upon the ideas and energies of citizens and organizations outside the Government.

The Advisory Commission on International Information, under the chairmanship of Mark Ethridge, publisher of the Louisville *Courier Journal*, has unselfishly spent many weeks studying our information operations in this country and abroad. The members of this Commission have been of enormous assistance in bringing about steady improvement in this field.

The Advisory Commission on Educational Exchange, under the chairmanship of Dr. Harvie Branscomb, Chancellor of Vanderbilt University, has been of comparable assistance in improving the programs for exchange of persons, for overseas libraries and information centers, and related activities. Both of these Commissions have reported to me that our operations have clearly demonstrated their worth to the American taxpayers, have steadily improved month by month, and are now in a position where large-scale expansion is both justified and urgently needed.

For these reasons, I am glad to see that you and your colleagues agree that “we need more funds and a great expansion of facilities.” On July 13, I transmitted to the Congress an appropriation request for \$89,000,000 to carry forward the Campaign of Truth. The House of Representatives has cut this amount to \$65,655,850. This is far less than the amount needed to carry on the kind of campaign that you advocate. I trust that you, and the other members of the Senate who signed the joint letter of August 18, will support the full amount of \$89,000,000 necessary for the expansion of our education and information activities. The Senate can render a great service if it will see that the necessary funds are provided. At a time when the Kremlin is sparing no effort to spread the most flagrant lies about this country and our allies, we must forge ahead with this great and affirmative campaign. Truth must prevail throughout the world, if we are to have just and lasting peace.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Ralph E. Flanders, United States Senate, Washington, D.C.]

NOTE: For the President's letter to the Speaker of the House on the need for an expanded truth campaign to combat communism, see Item 190.

228 Statement by the President: Labor Day.

August 31, 1950

WE HAVE good reason for special observance of this Labor Day. It should be a day of thanksgiving for past accomplishments and present opportunity; but it should also be a day of solemn dedication to the tasks that lie ahead of us. This year, especially, Labor Day symbolizes our facing forward as a Nation in the heroic tasks we have assumed, with other free nations of the world, in the cause of peace.

It is appropriate on this Labor Day—as on this great holiday in the past—that we pay tribute to the tremendous achievements of American labor. Each year since the end of World War II we have had increasing cause to celebrate the record the working men and women of our country have made in helping to build a stronger and more vigorous economy.

The world has long witnessed the benefits that free labor has achieved under our democratic institutions. The working men and women of this country enjoy high wages, good working and living standards, and great opportunities. They are partners in a living democracy; today, more than ever before, they are a vital force in every section of our public life.

It is the purpose of the United States in the world today to bring about conditions of peace under which working men and women, in every land, can achieve better lives, and participate in the affairs of their own nations. We know that to reach this goal will require sustained hard work, by every one in our country and in all the free

countries.

One of the great obstacles in the way is the Communist movement, which falsely professes to be the friend of those who labor, but which reduces the working man to slavery wherever it attains power. Today, this movement has violated the peace of the world. It threatens the free nations with aggression. In the face of this threat, our country has taken the only course that can lead to peace. We and other free nations, acting through the United Nations, have given unmistakable notice that armed aggression will be met with armed defense. And we are increasing and organizing our common strength, as a shield behind which we can carry on the great constructive tasks of peace.

We believe that a world at peace contains boundless possibilities for growth and progress—for all men everywhere. But the outcome is not alone ours to determine. Until there is concrete evidence that the aggressors are willing to have peace, we must build sufficient defenses. I know that American working men and women, as good citizens, stand ready to carry their share of the effort this will require.

I know that as President of the United States I can count upon the support and patriotic devotion of labor in our effort to bring about a just and enduring peace in the world—a peace that will mean ever greater rewards not only for our own workers but for workers everywhere.

HARRY S. TRUMAN

229 Letter to the General Chairman of the President's
Highway Safety Conference. *August 31, 1950*

[Released August 31, 1950. Dated August 30, 1950]

Dear General:

Highway transportation is of the utmost importance to the national defense. It is one of our greatest assets and it must be developed and maintained at the highest point of safety and efficiency that can be achieved. Immediate and continuing action is required to:

1. Conserve manpower, equipment, and materials in every field of production and to develop maximum efficiency in the use of all highway transportation facilities.

2. Provide for coordinated action of State and local officials concerned with highway transportation to assist in the safe and efficient movement of defense commodities and military traffic in the event of total emergency.

The Action Program developed by the President's Highway Safety Conference has proved most successful in the reduction of traffic accidents. The remarkable reduction of the traffic fatality rate from 11.3 per 100 million vehicle miles of travel in 1945 to less than 7 during the first 6 months of 1950 is evidence of the effectiveness of the program. Despite the reduction in rate, 15,080 Americans were killed in the first six months of this year—1470 more than died in traffic accidents during the same period last year. In view of vastly increased traffic volume, the need for further application of the Action Program is evident.

The successful coordination developed by the State and Local Officials' National Highway Safety Committee of the President's Highway Safety Conference in implement-

ing the Action Program is proof of the soundness of the Conference organization. It indicates its ability to assist in the safe and efficient movement of increasing amounts of defense materiel and military traffic.

I should like for you, as General Chairman of the Highway Safety Conference, to take the following steps immediately:

1. Re-examine, State by State, the current status of the Action Program of the President's Highway Safety Conference to ascertain weaknesses or deficiencies, and how it has been made effective.

2. Guided by this analysis, request the States, communities and private groups concerned with the problem to increase emphasis on highway safety activities in the interest of conserving manpower, equipment, materials and highway facilities in the light of their increasingly critical importance.

3. Cooperate fully with the Governors' Conference in support of its recent report and resolution on highway transportation.

4. Develop an organizational plan (in cooperation with the appropriate officials of the Department of Defense) for continuing official coordination in States to expedite highway movements in the safest and most efficient manner in the event of an emergency.

Very sincerely yours,

HARRY S. TRUMAN

[Major General Philip B. Fleming, General Chairman, President's Highway Safety Conference, Department of Commerce, Washington 25, D.C.]

230 The President's News Conference of

August 31, 1950

THE PRESIDENT. Please be seated. I have no special announcements to make, ladies and gentlemen, but I will try to answer questions, if they are not too complicated.

[1.] Q. Mr. President, Representative Tauriello of New York yesterday said that Secretary Johnson had lost the confidence of the people of the country. What do you think of the statement?

THE PRESIDENT. I have no comment on it.

Q. Mr. President, to put the question another way, following up Secretary Johnson's letter,¹ have you been embarrassed by him?

THE PRESIDENT. No. If I had been embarrassed, everybody would have found it out because I would have announced it.

[2.] Q. Mr. President, this is rather a complicated question. I had in mind the fact that it is a little over 19 months since you first announced the point 4 program, since which there has been a great deal of discussion and some legislation. I wonder if you would care now to indicate your general thought about that program, and your hopes for its realization?

THE PRESIDENT. Well, of course I hope for its realization, and I have made it as strongly apparent to the Congress that I hope for its realization. And if sometime or other we can get that 36-inch globe—or 30-inch globe—I have over at the office up here, I will give you a dissertation on it that will show you just how simple and how easy it would be to put it into effect, and how much good it would do us, and the rest of the world.

Q. That was what I had at the back of my

¹ On August 23 Representative Anthony F. Tauriello of New York wrote to the Secretary of Defense demanding his resignation. On August 30 Secretary Louis Johnson replied in the form of a statement reviewing his stewardship as Secretary of Defense.

complicated question. In your own mind the underdeveloped areas are relatively apparent—

THE PRESIDENT. Oh yes. It is not necessarily underdeveloped areas, it is the development of areas that will support more populations, raise more food, and cause a demand for our own products, and at the same time raise the standard of living of millions and millions of people—which is exactly what keeps peace in the world. It would be the best guarantee of world peace that we could possibly put out, and it wouldn't, in the long run, cost us anything except the technical help which we would be furnishing.

[3.] Q. Mr. President, Senator Lucas says the statehood bill would not be taken up this year. Have you any comment?

THE PRESIDENT. I am very sorry to hear it, because I am anxious for Alaska and Hawaii to be made States in the Union for national defense purposes principally. I want somebody down there fighting all the time for their proper development and defense. Never get that until they get a couple of Senators in the Senate and some Representatives in the House.

[4.] Q. Mr. President, in New York the longshoremen are refusing to unload ships that are coming from Russia and satellite countries, and some of those who are affected—importers—are claiming that this would amount to setting foreign policy—

THE PRESIDENT. That is exactly right, and they haven't any business doing a trick like that. The foreign policy is not made by any longshoremen's union.

Q. Are you planning to intercede in any way, or have Mr. Steelman intervene—

THE PRESIDENT. What intercession can I make?

Q. To prevail upon the union, perhaps?

THE PRESIDENT. Well, we will take care of the situation if it gets bad enough.

[5.] Q. Mr. President, some of the Congressmen up on Capitol Hill were very talkative today about the decentralization program. They don't think that this is real decentralization, they think the Government agencies should be dispersed farther from Washington. Would you care to say something about that?

THE PRESIDENT. Well, I don't think there is very much comment I can make on that. This is merely the beginning of a plan which has been under consideration for a long time. Of course, I can understand the attitude of some of the Congressmen, they would like to have these things moved into certain other cities—and that is not the objective at all.

[6.] Q. Mr. President, concerning imports and exports, there has been a good deal of congressional criticism in the past few days, sir, reflecting the speech by Winston Churchill,² and an incident or two concerning what is called lax export control here—a lot of strategic things that are going to Russia. Do you feel our controls are lax and—

THE PRESIDENT. No, they are not. Our controls are not lax at all. We have been trying to get the other countries to tighten up as tightly as we have been doing, and then we wouldn't have any trouble.

[7.] Q. Mr. President, in your message to General MacArthur the other day,³ you

² In a speech on August 26 Winston S. Churchill, then British opposition leader, speaking from his country home at Westerham in Kent, stated that the British should stop selling machine tools and diesel engines to Russia and her satellites. He also spoke out against the presence of Soviet "inspectors" inside factories where production of a secret nature was underway. He was referring to work being done in British factories for the Soviet Union. The orders were placed under the British-Russian trade agreement of 1948.

³ See Item 226.

told of getting reports from Admiral Sherman and General Collins on Korea. You said you were gratified by the report. Now, I wondered if there was some good news there that you could share with the people?

THE PRESIDENT. I am not in a position to comment on that today. I am sorry, I can't.

Q. Mr. President, will the allied forces stop at the 38th parallel?

THE PRESIDENT. I can't answer that question.

Q. Mr. President, how great do you regard the danger of Red China becoming involved in the action in Korea?

THE PRESIDENT. I hope that there is no great danger that Red China will become involved in this United Nations approach to establishing peace in Korea.

Q. Mr. President, in your letter to Ambassador Austin on Sunday,⁴ you gave as one of the reasons for neutralizing Formosa the fact that the conflict between the Chinese Communists and the Chinese Nationalists might threaten the security of the United Nations forces operating in Korea, or even result in the extension of the Korean war to the Pacific area. Does that mean that when peace and security are restored to the Korean area, then the United States 7th Fleet would be withdrawn from the Formosan—

THE PRESIDENT. The Formosan situation as set out in my various messages is one for settlement—in the Japanese peace treaty with the allies who fought in the Japanese war and with those occupation forces—by those nations that have occupying forces in Japan now. Of course, it will not be necessary to keep the 7th Fleet in the Formosa Strait if the Korean thing is settled. That is a flank protection on our part for the United Nations forces.

[8.] Q. Mr. President, would you favor changing the present wiretapping law to make wiretapping illegal as it stands, re-

⁴ See Item 223.

ardless of divulging—

THE PRESIDENT. I can't comment upon that now. When that matter is put before me, then I will pass on it. I can't comment on it now, because I have no idea of what sort of legislation will be before me.

[9.] Q. Mr. President, is there any significance in the fact that the Attorney General is here?

THE PRESIDENT. The Attorney General is a visitor. He has never seen a press conference in this new hall of ours, and he wanted to see whether it was successful here or not. [*Laughter*]

[10.] Q. Mr. President, did Secretary Johnson discuss anything about the wool shortage situation with you Tuesday?

THE PRESIDENT. No. It has been discussed with me, however, time and time again, but he did not discuss it with me Tuesday.

[11.] Q. Mr. President, have you anything further to say about General MacArthur's views on Formosa and what should be done about it?

THE PRESIDENT. The MacArthur incident is a closed incident.

[12.] Q. Mr. President, if the North Atlantic Pact countries do not increase their defense efforts, will you be called on to ask for more funds for them?

THE PRESIDENT. I can't answer a question like that because they are all making efforts to increase their defense efforts, and I think they are going to do it.

Q. Are the efforts satisfactory?

THE PRESIDENT. They are hoped to be sat-

isfactory, when they are finished. I can't comment on it because they are only in the preliminary stages. It wouldn't be fair to those countries for me to stand up here and tell them what they ought to do. That's their business.

[13.] Q. Mr. President, just to clarify my lead on Secretary Johnson, you don't contemplate any change in the Defense Secretary?

THE PRESIDENT. No.

[14.] Q. Mr. President, do you have any views as to how the ECA Administrator should administer the Spanish loan, if it remains in the omnibus appropriation bill?

THE PRESIDENT. I will answer that question when we come to the implementation of the Spanish loan.

[15.] Q. Mr. President, along the line of the previous question, it is suggested that we increase our garrison forces in West Germany until they can get some muscle in there. Have you any idea of increasing the present occupation forces?

THE PRESIDENT. Not at the present time.

[16.] Q. Mr. President, do you care to make any predictions about the November elections?

THE PRESIDENT. I am not a columnist nor a pollster, so I can't very well do it. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and thirty-seventh news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4:05 p.m. on Thursday, August 31, 1950.

231 Letter to the Ambassador of Chile on the U.S. Excise Tax on Copper. *September 1, 1950*

[Released September 1, 1950. Dated August 29, 1950]

My dear Mr. Ambassador:

I have read with great interest your memorandum of August twenty-first, in which you

express your concern over the malicious propaganda disseminated by the communists in Latin America in order to exploit to their

advantage the recent expiration of the suspension of the United States excise tax on copper.

The decision to reinstate once again a suspension of this tax is one that is to be taken by the United States Congress on the basis of multiple considerations affecting the national interest. The factors involved include questions of our domestic economy, international trade and foreign policy.

At present, there is diversity of opinion in this country concerning this tax, determined by the various segments of industry and labor most immediately affected. After careful study of all the problems involved, I have recommended further suspension of the tax and the House of Representatives has approved such extension for a period of one year. I hope very much that the Senate will

take similar action in the very near future.

I am constantly appreciative of the mutual and traditional friendship of our two countries and of the cooperative attitude of the people and Government of Chile toward the United States. I am fully aware of the malicious propaganda devices practiced by the enemies of our democracies in an attempt to sow discord amongst us. I earnestly hope that a happy solution will be reached in this problem of benefit to both Chile and the United States and our mutual friendship.

Very sincerely yours,

HARRY S. TRUMAN

[His Excellency Señor Felix Nieto del Rio, Ambassador of Chile, Washington, D.C.]

NOTE: On May 22, 1951, the President approved a bill "to suspend certain import taxes on copper" (65 Stat. 44).

232 Radio and Television Report to the American People on the Situation in Korea. *September 1, 1950*

[Broadcast from the White House at 10 p.m.]

My fellow citizens:

Tonight I want to talk to you about Korea, about why we are there, and what our objectives are.

As I talk with you, thousands of families in this land of ours have a son, or a brother, or a husband fighting in Korea. I know that your thoughts and hopes are constantly with them. So are mine.

These men of ours are engaged once more in the age-old struggle for human liberty. Our men, and the men of other free nations, are defending with their lives the cause of freedom in the world. They are fighting for the proposition that peace shall be the law of this earth.

We must and shall support them with every ounce of our strength and with all our hearts. We shall put aside all else for this supreme duty.

No cause has even been more just or more important.

For the first time in all history, men of many nations are fighting under a single banner to uphold the rule of law in the world. This is an inspiring fact.

If the rule of law is not upheld we can look forward only to the horror of another war and ultimate chaos. For our part, we do not intend to let that happen.

Two months ago Communist imperialism turned from the familiar tactics of infiltration and subversion to a brutal attack on the small Republic of Korea. When that happened, the free and peace-loving nations of the world faced two possible courses.

One course would have been to limit our action to diplomatic protests, while the Communist aggressors went ahead and swallowed up their victim. That would have been

the course of appeasement. If the history of the 1930's teaches us anything, it is that appeasement of dictators is the sure road to world war. If aggression were allowed to succeed in Korea, it would be an open invitation to new acts of aggression elsewhere.

The other course is the one which the free world chose. The United Nations made its historic decision to meet military aggression with armed force. The effects of that decision will be felt far beyond Korea. The firm action taken by the United Nations is our best hope of achieving world peace.

It is your liberty and mine which is involved. What is at stake is the free way of life—the right to worship as we please, the right to express our opinions, the right to raise our children in our own way, the right to choose our jobs, the right to plan our future and to live without fear. All these are bound up in the present action of the United Nations to put down aggression in Korea.

We cannot hope to maintain our own freedom if freedom elsewhere is wiped out. That is why the American people are united in support of our part in this task.

During the last 5 years we have worked day in and day out to achieve a just and lasting peace. We have given every possible proof of our desire to live at peace with all nations. We have worked for liberty and self-government for people the world over. Most nations have joined with us in this effort, but the Soviet Union and the nations it controls have unceasingly hampered all efforts to achieve a just peace.

The Soviet Union has repeatedly violated its pledges of international cooperation. It has destroyed the independence of its neighbors. It has sought to disrupt those countries it could not dominate. It has built up tremendous armed forces far beyond the needs of its own defense.

Communist imperialism preaches peace but practices aggression.

In these circumstances, the free nations have been compelled to take measures to protect themselves against the aggressive designs of the Communists.

The United Nations was able to act as it did in Korea because the free nations in the years since World War II have created a common determination to work together for peace and freedom.

Every American can be justly proud of the role that our country has played in bringing this about.

We have taken the lead in step after step to create unity and strength among the free nations. The record of these steps is impressive. Let me recall some of them to you.

In 1945 we helped to bring the United Nations into existence at San Francisco.

In 1946 the United States gave its full support to the successful action taken by the United Nations to protect Iran against Communist invasion.

In 1947 we began our military and economic aid to Greece and Turkey, which has helped those countries to keep their independence against Communist attacks and threats.

Also in 1947, by the Treaty of Rio de Janeiro, we joined with the other American nations to guarantee the safety of the Western Hemisphere.

In 1948 the Marshall plan checked the danger of Communist subversion in Europe; and, since that time, it has brought the free nations more closely together in a strong economic framework.

The Berlin airlift, in 1948 and 1949, defeated the Soviet effort to drive the free nations out of the democratic outpost of western Berlin.

The North Atlantic Treaty, in 1949, served notice that the nations of the North Atlantic community would stand together to preserve their freedom.

Today, in 1950, we are going ahead with

an enlarged program for military aid to strengthen the common defense of the free nations.

Step by step, these achievements in the struggle between freedom and Communist imperialism have brought the free nations closer together.

When the Communist movement turned to open, armed aggression in Korea, the response of the free nations was immediate.

Fifty-three of the 59 members of the United Nations joined in meeting the challenge. Thirty have pledged concrete aid to the United Nations to put down this aggression.

Thus far the brunt of the fighting has fallen upon the armed forces of the Republic of Korea and the United States. In addition, naval forces from Australia, Canada, France, Great Britain, the Netherlands, and New Zealand have been and are now in action under the United Nations command. Fighting planes from Australia, Canada, and Great Britain have joined the operation.

Ground forces have been offered by Thailand, the Philippines, Turkey, Australia, France, and other countries. Some British troops have landed in Korea and more are on their way. Just before I started to speak here tonight, I was handed a message received by the Department of State which said: "The Greek Government telegraphed the Secretary General of the United Nations this afternoon that it is prepared to dispatch ground troops to Korea immediately." This is welcome news. All of these troops will serve under the flag of the United Nations and under the United Nations commander, General MacArthur.

Our own men, with their gallant Korean comrades, have held the breach. In less than 8 weeks, five divisions of United States troops have moved into combat, some from bases more than 6,000 miles away. More men are on the way. Fighting in difficult

country, under every kind of hardship, American troops have held back overwhelming numbers of the Communist invaders. Our naval and air forces have been carrying the attack to the military bases and supply lines of the aggressors.

Our men have fought with grim gallantry. All of us, especially those of us who are old soldiers, know how worthy they are of a place on that long and honored roll of those who created and preserved liberty for our country.

The soldiers of the Republic of Korea have been fighting fiercely for their own freedom.

The determination of the South Koreans to maintain their independence is shown not only by the valor of their soldiers in the battleline, but also by countless supporting activities of the whole population. They are giving every possible assistance to the United Nations forces.

These United Nations troops are still outnumbered. But their hard and valiant fight is bringing results. We hold a firm base of about 3,500 square miles. For weeks the enemy has been hammering, now at one spot, now at another, sometimes at many points at once. He has been beaten back each time with heavy loss.

The enemy is spending his strength recklessly in desperate attacks. We believe the invasion has reached its peak. The task remaining is to crush it. Our men are confident, the United Nations command is confident, that it will be crushed. The power to do this is being gathered in Korea.

Right now the battle in Korea is the frontline in the struggle between freedom and tyranny. But the fighting there is part of a larger struggle to build a world in which a just and lasting peace can be maintained.

That is why we in the United States must increase our own defensive strength over and above the forces we need in Korea. That is why we must continue to work with the

other free nations to increase our combined strength.

The Congress is now acting on my request to increase our program of arms aid to other free countries. These nations are greatly increasing their own efforts. Our aid is not a substitute, but is an addition to what they themselves do.

In Western Europe alone there are over 200 million people. Next to ours, their industry is the world's greatest workshop. They are joining with us to develop collective forces for mutual defense—our defense as well as theirs.

The Armed Forces of the United States are a key element in the strength of the free world. In view of the threats of aggression which now face us, we shall have to increase these forces and we shall have to maintain larger forces for a long time to come.

We have had about one and a half million men and women on active duty in our Army, Navy, and Air Force. Our present plans call for increasing this number to close to 3 million, and further increases may be required.

In addition to increasing the size of our Armed Forces, we must step up sharply the production of guns, tanks, planes, and other military equipment. We shall also have to increase our stockpile of essential materials, and to expand our industrial capacity to produce military supplies.

We have the ability and the resources to meet the demands which confront us. Our industry and agriculture have never been stronger or more productive. We will use as much of this economic strength as is needed to defend ourselves and establish peace.

Hitler and the Japanese generals miscalculated badly, 10 years ago, when they thought we would not be able to use our economic power effectively to defeat aggression.

Let would-be aggressors make no such mistake today.

We now have over 62 million men and women employed—more than we have ever had before. Our farmers are producing over 20 percent more than they were in 1940. The productive capacity of our manufacturing industry is 60 percent greater than it was 10 years ago, when the Axis dictators threatened the world.

We must now divert a large share of this productive power to defense purposes. To do this will require hard work and sacrifice by all of us. I know all of us are prepared to do whatever is necessary in the cause of peace and freedom. We have never yet failed to give all that is needed in that cause, and we never will fail in it.

In order to increase our defense effort rapidly enough to meet the danger that we face, we shall have to make many changes in our way of living and working here at home. We shall have to give up many things we enjoy. We shall have to work harder and longer. To prevent runaway inflation and runaway prices, we shall have to impose certain restrictions upon ourselves.

The Congress has today completed action on legislation to enable us to channel the necessary effort to defense production, to increase our productive capacity, and to hold down inflation.

After this legislation is signed I intend to talk to you again, to explain what your Government proposes to do, and how each citizen can play his part in this national effort.

As we move forward to arm ourselves more quickly in the days ahead, and as we strive with the United Nations for victory in Korea, we must keep clearly in mind what we believe in and what we are trying to do. We also want the rest of the world to understand clearly our aims and our hopes.

First: We believe in the United Nations. When we ratified its charter, we pledged

ourselves to seek peace and security through this world organization. We kept our word when we went to the support of the United Nations in Korea 2 months ago. We shall never go back on that pledge.

Second: We believe the Koreans have a right to be free, independent, and united—as they want to be. Under the direction and guidance of the United Nations, we, with others, will do our part to help them enjoy that right. The United States has no other aim in Korea.

Third: We do not want the fighting in Korea to expand into a general war. It will not spread unless Communist imperialism draws other armies and governments into the fight of the aggressors against the United Nations.

Fourth: We hope in particular that the people of China will not be misled or forced into fighting against the United Nations and against the American people, who have always been and still are their friends. Only the Communist imperialism, which has already started to dismember China, could gain from China's involvement in the war. The Communist imperialists are the only ones who can gain if China moves into this fight.

Fifth: We do not want Formosa or any part of Asia for ourselves. We believe that the future of Formosa, like that of every other territory in dispute, should be settled peacefully. We believe that it should be settled by international action, and not by the decision of the United States or any other state alone. The mission of the 7th Fleet is to keep Formosa out of the conflict. Our purpose is peace, not conquest.

Sixth: We believe in freedom for all the nations of the Far East. That is one of the reasons why we are fighting under the United Nations for the freedom of Korea. We helped the Philippines become independent and we have supported the national

aspirations to independence of other Asian countries. Russia has never voluntarily given up any territory it has acquired in the Far East; it has never given independence to any people who have fallen under its control. We not only want freedom for the peoples of Asia, but we also want to help them to secure for themselves better health, more food, better clothes and homes, and the chance to live their own lives in peace. The things we want for the people of Asia are the same things we want for the people of the rest of the world.

Seventh: We do not believe in aggressive or preventive war. Such war is the weapon of dictators, not of free democratic countries like the United States. We are arming only for the defense against aggression. Even though Communist imperialism does not believe in peace, it can be discouraged from new aggression if we and other free peoples are strong, determined, and united.

Eighth: We want peace and we shall achieve it. Our men are fighting for peace today in Korea. We are working for peace constantly in the United Nations and in all the capitals of the world. Our workers, our farmers, our businessmen, all our vast resources, are helping now to create the strength which will make peace secure.

We want peace not only for its own sake but because we want all the peoples of the world, including ourselves, to be free to devote their full energies to making their lives richer and happier. We shall give what help we can to make this universal human wish come true.

We invite all the nations of the world, without exception, to join with us in this great work.

The events in Korea have shown us again all the misery and horrors of war. The North Koreans have learned that the penalties of armed conflict fall as heavily on those who act as tools for the Communist dictator-

ship as they do on its victims. There will be no profit for any people who follow the Communist dictatorship down its dark and bloody path.

Against the futile and tragic course of dictatorship, we uphold, for all people, the way of freedom—the way of mutual cooperation and international peace. We assert that mankind can find progress and advancement along the path of peace. At this critical hour in the history of the world, our country

has been called upon to give of its leadership, its efforts, and its resources to maintain peace and justice among nations. We have responded to that call. We will not fail.

The task which has fallen upon our beloved country is a great one. In carrying it out, we ask God to purge us of all selfishness and meanness, and to give us strength and courage for the days ahead. We pray God to give us strength, ability, and wisdom for the great task we face.

233 Veto of Bill Relating to Spanish-American War Veterans. *September 6, 1950*

To the House of Representatives:

I am returning herewith, without my approval, H.R. 6217, 81st Congress, "An Act To provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration."

The bill would require the Government to provide to all veterans of the Spanish-American War group out-patient treatment on the same basis as is now provided only to those war veterans who have service-connected disabilities. This would be accomplished by enacting into law the presumption that every veteran of the Spanish-American War group who applies to the Veterans' Administration for out-patient treatment shall be deemed to have incurred his disease or disability as a direct result of military or naval service in line of duty.

It has been stated by those supporting the legislation that such a measure is necessary because inadequate medical records have prevented veterans of the Spanish-American War group from establishing that their disabilities are service-connected. The real

issue presented by this bill is not adequacy of medical records. Liberal standards have been and are used for determining service-connection of disabilities and for determining eligibility for veterans' benefits. The presence or absence of formal medical records does not necessarily control the decision as to eligibility. The plain fact is that these veterans have reached an age where, regardless of their military service, physical disabilities are common and the costs of medical care are, in consequence, higher than at earlier ages. The same is true, of course, of all other citizens who have reached a comparable age. The conclusive presumption of fact to be established by this bill would be largely fictional.

The veterans of the Spanish-American War group have already been very liberally recompensed for their service through pensions for non-service-connected disability and for age. The rates paid to them are higher and the conditions more liberal than for veterans of later wars. Practically all veterans of this group are now eligible on an unqualified basis for pensions of \$90 a month. In addition, of course, veterans of the Spanish-

American War group are provided hospital and medical care on the same basis as are all other veterans. They are entitled to free hospital care and medical care on an in-patient and out-patient basis, without restriction, for service-incurred or service-aggravated disease or injuries. A Spanish-American War veteran also is eligible, as are other veterans, for free non-service-connected hospital and medical care, but only if a Veterans' Administration hospital bed is available and if the veteran states he is unable to pay for the service.

H.R. 6217 would impose a drastic requirement on the Government. It would make it mandatory for the Government to provide free medical care without any qualification to a group of veterans for non-service-connected disabilities declared by statute to be service-connected. This is a step which would be extremely unwise for us to take. It would require us to expand the medical organization in the Veterans' Administration to provide extra services at a time when the country's medical resources are already strained to the point that has made it necessary to ask for legislation to induct medical personnel into the Armed Forces under Selective Service.

This bill would also set a most undesirable precedent for the future. By making a material exception in the case of veterans of the Spanish-American War group in the matter of out-patient treatment, the legislation discriminates against veterans of other wars. I have no doubt that demands would be forthcoming for the passage of similar legislation for other groups in succession. The size and cost of such programs must not be lightly

set aside. For example, I am informed that as of June 30, 1950, there were approximately 118,000 living veterans of the Spanish-American War group, and that their average age is over 70 years. While the number of such veterans will decrease steadily, the approximately 26,000 living World War I veterans 70 years of age and over will increase until the year 1970. At that time there will be 1,300,000 World War I veterans in this age category. Finally, the number of World War II veterans which can be expected to attain this age is four or five times as great as from the World War I group. Thus, by following the precedent of this bill, we would eventually be providing a guarantee of free medical services through the Veterans' Administration for all veterans. When we consider that the cost of out-patient medical care for service-connected disabilities alone already exceeds \$100 million annually, the cost implications of an ever widening program are apparent.

As I have stated before, the primary purpose of our veterans' benefit programs should be to provide only for the special and unique needs arising directly from military service. All other new or additional benefits for veterans should be provided through general social security, health, and educational programs available to all the people, including veterans.

In view of the foregoing considerations, I am withholding my approval of H.R. 6217.

HARRY S. TRUMAN

NOTE: On September 19, 1950, the Congress passed the bill over the President's veto. As enacted, H.R. 6217 is Public Law 791, 81st Congress (64 Stat. 867).

234 Statement by the President Upon Signing the General Appropriation Act. *September 6, 1950*

I HAVE signed H.R. 7786, the General Appropriation Act of 1951.

This bill provides, in a consolidated form, funds and other authorizations for the departments and agencies of the Federal Government for the fiscal year which began last July 1.

In signing this bill, I am compelled to call attention to a provision which, in my judgment, represents an unwise and dangerous departure from proper budgetary practices. This is the requirement that the executive branch reduce the appropriations enacted by the Congress by a fixed amount.

The foundation of our budget system is the preparation of an annual budget by the President and its presentation to the Congress for review, adjustment, and final determination.

For more than 200 pages this enrolled bill sets forth in great detail the individual amounts appropriated by the Congress for the many programs of the Government. Section 1214 of the bill, however, directs that these individual and specific decisions by the Congress on appropriations and authorizations for the executive branch of the Government be reduced by at least \$550 million, "without impairing national defense." In effect, the bill requires the executive branch to revise the judgment of the Congress on individual programs to meet an overall arbitrary reduction.

This unusual provision represents a failure by the Congress to exercise its proper responsibility for enacting appropriations to conduct the Government's business.

The needs of our defense effort make it

necessary to place primary emphasis on those programs of the Government which will strengthen our Armed Forces, our power to produce for defense, and the combined power of the free world to establish peace. In effecting the reduction required in the bill, a careful review will be made of all agency programs with a view to curtailing those which contribute least to these paramount objectives. This review is now going forward. It will continue during the coming months. If reductions greater than the amount specified in the bill can be made, I shall make them. Neither the Congress nor the President, however, can state at this time whether savings even to the extent arbitrarily required by Congress can be made without impairing essential Government services.

I also feel obliged to comment upon the provision of the bill which authorizes loans for the purpose of assistance to Spain. I do not regard this provision as a directive, which would be unconstitutional, but instead as an authorization, in addition to the authority already in existence under which loans to Spain may be made.

Spain is not, and has not been, foreclosed from borrowing money from this Government. Money will be loaned to Spain whenever mutually advantageous arrangements can be made with respect to security, terms of repayment, purposes for which the money is to be spent, and other appropriate factors, and whenever such loans will serve the interests of the United States in the conduct of foreign relations.

NOTE: As enacted, H.R. 7786 is Public Law 759, 81st Congress (64 Stat. 595).

235 Letters to the Commandant of the Marine Corps League and to the Commandant of the Marine Corps. *September 6, 1950*

My dear Mr. Nixon:

I am concerned over the situation which has arisen because of the publishing of my letter of August 29th to Representative McDonough.

I have this date addressed a letter to the Commandant of the Marine Corps, a copy of which I am enclosing.

I should be happy to have you read my letter to the members of your organization.

Sincerely yours,

HARRY S. TRUMAN

[Commandant Clay Nixon, Marine Corps League, Hotel Statler, Washington, D.C.]

Dear General Cates:

I sincerely regret the unfortunate choice of language which I used in my letter of August 29 to Congressman McDonough concerning the Marine Corps.

What I had in mind at the time this letter was written was the specific question raised by Mr. McDonough, namely the representation of the Marine Corps on the Joint Chiefs of Staff. I have been disturbed by the number of communications which have been brought to my attention proposing that the Marine Corps have such representation. I feel that, in as much as the Marine Corps is by law an integral part of the Department of the Navy, it is already represented on the Joint Chiefs of Staff by the Chief of Naval Operations. That the Congress concurs in this point of view is evidenced by the fact that, in passing the National Security Act of 1947, and again in amending that Act in 1949, the Congress considered the question of Marine Corps representation on the Joint Chiefs of Staff and did not provide for it. It is my feeling that many of the renewed pleas for such representation

are the result of propaganda inspired by individuals who may not be aware of the best interests of our Defense Establishment as a whole, and it was this feeling which I was expressing to Mr. McDonough. I am certain that the Marine Corps itself does not indulge in such propaganda.

I am profoundly aware of the magnificent history of the United States Marine Corps, and of the many heroic deeds of the Marines since the Corps was established in 1775. I personally learned of the splendid combat spirit of the Marines when the Fourth Marine Brigade of the Second Infantry Division fought in France in 1918.

On numerous occasions since I assumed office, I have stated my conviction that the Marine Corps has a vital role in our organization for national security and I will continue to support and maintain its identity.

I regard the Marine Corps as a force available for use in any emergency, wherever or whenever necessary. When I spoke of the Marines as the "Navy's police force," I had in mind its immediate readiness, and the provision of the National Security Act which states that "The Marine Corps shall be organized, trained, and equipped to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign."

The Corps' ability to carry out whatever task may be assigned to it has been splendidly demonstrated many times in our history. It has again been shown by the immediate response of the Marine Corps to a call for duty in Korea. Since Marine ground and air forces have arrived in Korea I have received

a daily report of their actions. The country may feel sure that the record of the Marines now fighting there will add new laurels to the already illustrious record of the Marine Corps.

Sincerely yours,

HARRY S. TRUMAN

[General Clifton B. Cates, Commandant, USMC]

NOTE: Representative Gordon L. McDonough of California had written the President urging him to grant the Marine Corps representation on the Joint Chiefs of Staff. "In my opinion," he stated, "the United States Marine Corps is entitled to full recognition as a major branch of the Armed Services of the U.S., and should have its own representative on the Joint Chiefs of Staff. . . ."

The President's reply, made public by Representative McDonough on September 1, 1950, and published in the Congressional Record (vol. 96,

p. A6323), was the subject of considerable comment. The President's letter, dated August 29, follows:

"My dear Congressman McDonough:

"I read with a lot of interest your letter in regard to the Marine Corps. For your information the Marine Corps is the Navy's police force and as long as I am President that is what it will remain. They have a propaganda machine that is almost equal to Stalin's.

"Nobody desires to belittle the efforts of the Marine Corps but when the Marine Corps goes into the army it works with and for the army and that is the way it should be.

"I am more than happy to have your expression of interest in this naval military organization. The Chief of Naval Operations is the Chief of Staff of the Navy of which the Marines are a part.

"Sincerely yours,

HARRY S. TRUMAN"

See also Item 237.

236 Statement by the President Upon Signing Bill Regarding Marine War-Risk Insurance. *September 7, 1950*

IN APPROVING S. 2484, a law which will authorize the Secretary of Commerce to provide marine war-risk insurance when such insurance is not available from private sources, I am gratified at the promptness with which this legislation has been enacted. It provides an important additional step to insure the readiness of the shipping industry to deal with any emergency conditions which may in the future arise.

An essential feature of any acceptable measure for such insurance is that the value of any vessel upon which indemnity is to be fixed must not be subject to the artificial enhancement which frequently characterizes the market value of ships during a wartime period when demand for shipping is abnormal. The possibility of excessive payments for ships requisitioned by the Government during wartime was wisely guarded against by the Congress when it provided, in section

902 of the Merchant Marine Act of 1936, that just compensation for vessels requisitioned thereunder should "in no case . . . be deemed enhanced by the causes necessitating the taking or use."

An identical safeguard was contained explicitly in this marine war-risk insurance bill, as it first passed the Senate. This language was replaced in the House-approved version with a provision that the amount of an allowable claim "shall not exceed the vessel's fair and reasonable value as determined by the Federal Maritime Board." It does not appear to me from a reading of the legislative history, however, that this change was intended to throw aside the no-enhancement concept embodied in the original Senate bill.

I therefore wish to make it clear that my approval of this measure is based upon the conviction that the legislative history is in-

dicative of a desire by the Congress that any war-risk insurance claims be allowed only upon a standard of fair and reasonable value which will not be subject to the artificial

inflation of a wartime shipping market.

NOTE: As enacted, S. 2484 is Public Law 763, 81st Congress (64 Stat. 773).

237 Remarks to Members of the Marine Corps League.

September 7, 1950

General Cates, Mr. Commander, members of the Marine Corps League:

I am happy to be with you this morning. You succeeded in enticing me over here.

There are incidents, sometimes, that appear to be almost the end of the world when they happen, that usually turn out for the good of the cause.

The thing that I am most interested in is a unified approach to the crisis which we face. My whole endeavor for 5 years has been to attain a peaceful settlement of the greatest war in history. I have striven for that since I have been President of the United States. That effort seemed to be approaching a consummation until the 25th day of June. Then we were faced with the situation in which we had to stand up and say that we supported the United Nations in its effort to attain peace in the world, or we had to back out and surrender. That is not my way of doing business.

When I make a mistake, I try to correct it. I try to make as few as possible. I hope that this organization will support the President of the United States in his effort to get

peace in the world—that's all I want.

Conditions have come about—due, I must say, to a certain political event which will take place in November—which have caused unfounded attacks to be made on certain men in public service. This has made it almost impossible to get the men capable of filling the jobs to come here and stand for a barrage of that kind. It is not only unfair, it is unjust, and those attacks in the long run are not on the individuals on whom they are made, they are direct attacks on the President of the United States, who is responsible under the present situation for the Government, and for its actions and for its policy.

I can't tell you how much I appreciate your cordial reception, how kind you have been to me, and I hope that from now on there will never be any misunderstanding between us.

NOTE: The President spoke at 9:55 a.m. at the Statler Hotel in Washington. In his opening words he referred to Gen. Clifton B. Cates, Commandant of the United States Marine Corps, and Clay Nixon, Commandant of the Marine Corps League.

See also Item 235.

238 The President's News Conference of

September 7, 1950

THE PRESIDENT. Please be seated. I have no special announcements to make this morning.

[1.] Q. Mr. President, how do you feel?

THE PRESIDENT. I feel all right. [Laugh-

ter] What makes you ask that question?

Q. I thought maybe you felt better now than you did yesterday morning?

THE PRESIDENT. No, I always feel good. I am always physically fit. If anybody

doesn't believe it, come up and take a try. [*More laughter*]

[2.] Q. Mr. President, the Export-Import Bank recently announced a credit of \$150 million to Mexico. Do you wish to comment?

THE PRESIDENT. I am very happy that they saw fit to do that. We have been negotiating that loan ever since I made my visit to Mexico and the President of Mexico made his visit here. The President of Mexico was exceedingly pleased and happy over the arrangement, and so am I.

[3.] Q. Mr. President, can you tell us when you plan to sign the Defense Production Act?

THE PRESIDENT. Just as quickly as it has been properly analyzed and I have the papers before me. It is in the course of being analyzed now. It will be signed, I hope, in the next few days.¹

Q. That won't be today?

THE PRESIDENT. No, it won't be today. You can be assured of that.

Q. Mr. President, will our economy be entirely under the control of civilians?

THE PRESIDENT. That is the intention.

Q. But no military appointed?

THE PRESIDENT. There will be no military dictator. [*Laughter*]

[4.] Q. Mr. President, two Democratic Senators yesterday issued conflicting predictions as to what you would do if the McCarran subversion bill is passed. One said you would veto it, and the other said you wouldn't. Would you tell us which is right?

THE PRESIDENT. You mean the Mundt-Nixon bill as revised by Senator McCarran? That is, the Mundt-Nixon bill as revised by Senator McCarran and made a little worse. I would do the same thing to it that I would do to the Mundt-Nixon bill.²

Q. Mr. President, would you sign a substitute that is being sponsored by Mr. Kilgore?

THE PRESIDENT. I can't answer that question because that bill has not been passed through either House of Congress, and it is not before me for consideration. I am not in a position to comment on legislation until it is a little further along than that bill is. That bill is an improvement over the Mundt-Nixon bill.

Q. Mr. President, just to clarify one point, you said you would do the same thing to this McCarran bill as you would to the Mundt-Nixon bill, but you didn't say what you would do to the Mundt-Nixon bill?

THE PRESIDENT. I made a statement on that last year, when Mr. Dewey and Mr. Stassen had their argument out in Oregon about the same time, that I wouldn't sign any such bill.

Q. That is what I want to clarify for the record.

THE PRESIDENT. All right—all right.

[5.] Q. Mr. President, have you received the report of the Bell mission to the Philippines?

THE PRESIDENT. No, the report is not ready yet.³

[6.] Q. Mr. President, has anything been done, sir, about implementing this Defense Production Act? I mean the thing has got to the point where it is discussed. There is a story in the morning paper that there is to be one overall agency to handle wages and prices—I just walked up three flights of stairs! [*Laughter*]

THE PRESIDENT. I know that, Joe.⁴ The bill has not been completely analyzed. A

³ Daniel W. Bell was named Chief of the Economic Survey Mission to the Philippines on June 29, 1950 (see Item 180).

The report of the Mission was made public by the White House on October 28, 1950. The report, dated October 9, 1950, is printed as Department of State Publication 4010, Far Eastern Series 38 (Government Printing Office, 107 pp.).

⁴ Joseph A. Fox of the Washington Star.

¹ The President signed the Defense Production Act of 1950 on September 8, 1950 (64 Stat. 798).

² See Item 254.

great deal of work has been done in the various agencies of the Government with regard to the things that I think will be necessary to be done. I can't give you a definite outline of the situation until the bill is completely analyzed and before me for consideration, at which time I will make it perfectly plain to you. And, incidentally, I intend to make a speech on it Saturday night, on all four radio hookups,⁵ and I will give you advance sheets of it before it goes on the air.

Q. This coming Saturday night?

THE PRESIDENT. Yes.

[7.] Q. Mr. President, the American Chemical Society, meeting in Chicago yesterday, had a good many conferences on the question of deferment of scientists, and Charles A. Thomas, president of the Monsanto Chemical Co., is quoted as saying that policy can be decided on only by the President himself. Is that a matter for Executive decision, or is it not a matter for legislation?

THE PRESIDENT. Is that about the Science Foundation?

Q. It's about the deferment of scientists and college students who are majoring in scientific subjects.

THE PRESIDENT. I really don't understand the thing. There is a Science Foundation, which I have been trying to get an appropriation to implement, in which a board of scientists has been appointed by the President with an executive director, and it is their business, I think, to try and arrange for the education of young men for a scientific career. I think that the President makes the appointments, and the board itself will pass on the students and how they are to be educated.

Q. This apparently was concerned with the drafting of scientists.

THE PRESIDENT. That is a matter that will have to be worked out on a commonsense

⁵ See Item 243.

basis, just like all the rest of the things we are faced with, and we will try to do it that way.

[8.] Q. Mr. President, there is another story in the morning papers, that Mr. Symington⁶ will be made an overall defense mobilization boss?

THE PRESIDENT. That is the first time I have heard of it.

[9.] Q. Mr. President, I believe you saw Mr. McCloy⁷ here this week?

THE PRESIDENT. Yes.

Q. In the course of the conversation, did you have anything to say about your thoughts on rearming and security?

THE PRESIDENT. That is a matter that is up for consideration before the foreign ministers and the defense ministers of the Allied Powers. It is not proper for me to discuss it before they have their meeting.

[10.] Q. Do you have anything to say about the attack on Oscar Chapman's patriotism?

THE PRESIDENT. Mr. Chapman is up before the committee now, and then when he gets through, that attack will be exploded into little bits, just like former attacks of the same kind have been.⁸

[11.] Q. Mr. President, Senator Taft said yesterday that the Truman administration has so many conflicts within itself, it's like a man with no brains who is unable to develop a consistent course of action. Would you care to comment on this alleged—

THE PRESIDENT. I am not running for office in Ohio, so I won't comment. [*Laughter*]

[12.] Q. Mr. President, would you say

⁶ W. Stuart Symington, Chairman of the National Security Resources Board.

⁷ John J. McCloy, U.S. High Commissioner for Germany.

⁸ On September 7 Secretary of the Interior Oscar Chapman appeared before the Senate Committee on Interior and Insular Affairs in answer to charges made on the floor of the Senate by Senator Andrew F. Schoeppel of Kansas questioning his past loyalty. Senator Schoeppel's remarks are printed in the Congressional Record (vol. 96, p. 14214).

anything about the Russian plane shot down off Korea?

THE PRESIDENT. No, I have no comment on that. That is being handled by the United Nations. It was a United Nations plane that did the shooting down.

[13.] Q. Mr. President, this question was not asked you. Do you have under consideration the creation of an economic stabilization agency, which would have control over wages and prices and other matters?

THE PRESIDENT. That is not under consideration at the present time. I will probably answer that question Saturday night.

Q. Not under consideration at the present time?

THE PRESIDENT. No.

[14.] Q. Mr. President, is there anything you can say about the military situation in Korea?

THE PRESIDENT. I cannot comment on it now. General Bradley makes a report to me every morning. There has been no material change in our frontline in Korea during the last 10 days.

Q. Mr. President, our main line, sir?

THE PRESIDENT. Yes.

[15.] Q. Mr. President, can you tell us—this may be a little bit in answer to your speech Saturday night—can you tell us whether you feel now that it is necessary to control prices rather widely, or on a selective basis, or as yet not at all?

THE PRESIDENT. Well now, I have to analyze the bill and find out just exactly what it provides before I can answer that question. I will answer it categorically when I have all the information before me.

[16.] Q. Mr. President, I think that there are a lot of people who have the idea that we have been pushed back from our lines in

Korea in the last few days. Do you not have that idea, sir?

THE PRESIDENT. There are certain points in the line that have been crashed, but those points are being pushed back to their former grounds, and I think that will happen before the week is out. At least, that is my opinion. I am not a desk strategist and don't pretend to be one. I leave that to the military men.

[17.] Q. Mr. President, last night you commented about the Spanish loan that Congress has put in the appropriation bill. Could you clarify that, sir, as to whether the Spanish are now limited to going to the Export-Import Bank, or is there some chance that they might get this under certain limited conditions?

THE PRESIDENT. The statement clarified it entirely, and I have no further comment to make on it.⁹

[18.] Q. Mr. President, I want to clear up, just a second, persistent reports that casualties have been much higher than the official reports go. Have you anything to say about that?

THE PRESIDENT. The official reports are always a few days behind on the casualties, because they try to notify the nearest of kin before they have the lists published. The total casualties are reported to me every day.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

[19.] Q. Mr. President—do you consider the Marine Corps incident closed?¹⁰

THE PRESIDENT. Yes!

NOTE: President Truman's two hundred and thirty-eighth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:35 a.m. on Thursday, September 7, 1950.

⁹ See Item 234.

¹⁰ See Item 235.

239 Remarks to the National Citizens' Committee for
United Nations Day. *September 7, 1950*

Mrs. Roosevelt, and members of this United Nations Committee:

It is a very great pleasure for me to have you here today, and it is also a very great pleasure to me to have received that first flag presented by these lovely 4-H girls. That pledge they made is a wonderful one, and I wish every citizen of the United States would take it. I am sure they will, in the long run, because the United Nations is our one hope to which we can look for a peaceful world. We must see that the United Nations itself is a successful and going organization.

The Government of the United States is trying by every means at its command to support the United Nations with all it has—men, arms, and efforts for peace.

We are carrying on this action in Korea for a peaceful world, not for conquest. We have no ambition in Asia except for a peaceful Asia. We have no ambition in Europe except for a peaceful Europe, and we have no ambition in South America except for a

peaceful South America. That is our only ambition.

I hope that you will see that everybody in your community understands that our only interest in this whole situation is a peaceful world, where our children and our grandchildren—if we have any—may grow up and become citizens of the world, as well as citizens of this great Republic of ours.

You are doing a great work. I appreciate it. And I am very happy that Mrs. Roosevelt was here to make the presentation and to state what your ambitions are, and ours are. I thank you very much, Mrs. Roosevelt.

NOTE: The President spoke at 12:15 p.m. in the Rose Garden at the White House. In his opening words he referred to Mrs. Franklin D. Roosevelt, chairman of the National Citizens' Committee for United Nations Day. Mrs. Roosevelt had introduced two 4-H Club members, Charlotte Ingram and Mary Anne Long, who presented the President with a specially made United Nations flag.

The Committee, appointed by the Secretary of State to coordinate plans for the observance of United Nations Day (October 24), consisted of the heads of some 60 prominent national organizations.

240 Statement by the President Upon Signing Order Concerning
the Point 4 Program. *September 8, 1950*

I HAVE today signed an Executive order delegating to the Secretary of State the responsibility for carrying out the point 4 program authorized by the Congress in the Act of International Development. Funds were provided in the Appropriation Act signed September 6, 1950.

The United States, in undertaking the point 4 program, is seeking to help other peoples help themselves by extending to them the benefits of our store of technical knowledge. This program will provide means needed to translate our words of friendship

into deeds. All activities will be on a co-operative basis, and projects will be undertaken by the United States only at the request of other governments.

Communist propaganda holds that the free nations are incapable of providing a decent standard of living for the millions of people in the underdeveloped areas of the earth. The point 4 program will be one of our principal ways of demonstrating the complete falsity of that charge. By patient, diligent effort, levels of education can be raised and standards of health improved to

enable the people of such areas to make better use of their resources. Their land can be made to yield better crops by the use of improved seeds and more modern methods of cultivation. Roads and other transportation and communication facilities can be developed to enable products to be moved to areas where they are needed most. Rivers can be harnessed to furnish water for farms and cities and electricity for factories and homes.

The first year's appropriation of \$34,500,000 for the point 4 program is not a large sum in comparison with the need. Yet this money, together with the contributions of other countries, will have a cumulative effect in promoting the well-being of underdeveloped areas. United States money in this initial phase will be used to a large extent to provide technical assistance by sending experts abroad and to bring qualified trainees to this country. The participating countries themselves will supply local personnel and additional funds to help complete the projects.

In the Executive order, I have provided for the active participation of all departments and agencies of the Federal Government

whose facilities and experience can contribute to the program. I am confident, too, that it will be possible to draw upon the great body of technical experts in State and municipal organizations, educational and research institutions, public service foundations, and agricultural, labor, business, and other private groups as their special skills are needed.

Part of the funds appropriated by the Congress for point 4 are to be devoted to the United Nations Technical Assistance Program, which is supported by contributions from other United Nations members as well. The bilateral arrangements between the United States and other governments will be supplemented by multilateral arrangements under United Nations auspices. As this cooperative movement progresses and the United Nations program becomes more fully established, we anticipate that more and more of the work will be carried out under United Nations auspices and that there will be a worldwide effort to further the economic and social progress of all peoples.

NOTE: The President referred to Executive Order 10159 "Providing for the Administration of the Act for International Development" (3 CFR, 1949-1953 Comp., p. 338).

241 Veto of Bill To Amend the Nationality Act of 1940, as Amended. *September 9, 1950*

To the House of Representatives:

I return herewith, without my approval, H.J. Res. 238, "To amend the Nationality Act of 1940, as amended."

When first introduced in the Congress this resolution provided that the right to become a naturalized citizen of the United States should not be denied or abridged because of race. This was one of the recommendations which I made to the Congress in the civil rights program submitted more than two years ago. This proposal has received wide

bi-partisan support. It represents a positive response by the United States to a proper demand of justice and human brotherhood. By this means we can give concrete assurance to the peoples of Asia that no resident of the United States will fail to qualify for citizenship solely because of racial origin.

This provision remains as section 1 of the resolution. Unfortunately, the Congress has added a second section, with a different purpose. This new section is supposed to strengthen our naturalization laws by insert-

ing new and specific prohibitions against citizenship for aliens who owe allegiance to present forms of communism and other totalitarian philosophies.

The existing prohibitions in our naturalization laws were intended to exclude from citizenship those who overtly subscribe to the overthrow of our Government by force or violence. In Section 2 of this resolution the Congress has attempted, by the use of much new language, to reach persons who may covertly seek to overthrow this Government, through their association with communist-front and similar organizations. However, the language of this second section is so vague and ill-defined that no one can tell what it may mean or how it may be applied. The result might be to weaken our naturalization laws rather than strengthen them. The result might also be to jeopardize the basic rights of our naturalized citizens and other persons legitimately admitted to the United States.

In my judgment, it would be impossible to administer this Act without creating a twilight species of second-class citizens, persons who could be deprived of citizenship on technical grounds, through their ignorance or lack of judgment. If an individual should, at any time within five years after naturalization, become affiliated with a proscribed organization, this resolution would specifically make his act *prima facie* evidence of lack of attachment to the principles of the Constitution of the United States. It would place upon him the requirement of presenting countervailing evidence to prevent the revocation of his citizenship.

This resolution does not even stop with creating second-class citizens. Where newly naturalized citizens or legally admitted aliens are concerned, it could be used to destroy the right of free speech and the freedom to follow

intellectual pursuits without fear of retaliation from a vengeful Government.

These provisions will inevitably produce great uncertainty and confusion in administration. This becomes evident when it is recognized, as it must be, that the resolution fails to define its terms and establishes absolutely no ascertainable standards for their application. Not only is this in violation of our traditional concepts of what laws should do, it also makes it impossible to determine in advance what procedures will be used to prosecute alleged violation of the law. I cannot approve a measure which has these deficiencies.

Our Government will remain dedicated to protecting the freedom, basic rights, and inherent dignity of the individual. We shall not adopt prohibitory and punitive statutes without being absolutely sure that the proposed laws are not a greater threat than the things against which they would provide protection. This is particularly true in the present case since we already have strong laws protecting us against the naturalization of subversive persons. It has not been demonstrated that these laws are inadequate. We should not forget or become afraid to assert our belief that eternal vigilance is the price of liberty.

I urge that the Congress reconsider this resolution at once, re-enacting it in such form as to preserve Section 1 and to remove those ill-advised provisions in Section 2, which seek to strengthen the Nationality Act of 1940 but which actually weaken and confuse it. At a time when the United Nations' Forces are fighting gallantly to uphold the principles of freedom and democracy in Korea, it would be unworthy of our tradition if we continue now to deny the right of citizenship to American residents of Asiatic origin.

HARRY S. TRUMAN

242 Statement by the President Upon Approving an Increase in U.S. Forces in Western Europe. *September 9, 1950*

ON THE basis of recommendations of the Joint Chiefs of Staff, concurred in by the Secretaries of State and Defense, I have today approved substantial increases in the strength of United States forces to be stationed in Western Europe in the interest of the defense of that area. The extent of these increases and the timing thereof will be worked out in close coordination with our North Atlantic Treaty partners. A basic element in the implementation of this deci-

sion is the degree to which our friends match our actions in this regard. Firm programs for the development of their forces will be expected to keep full step with the dispatch of additional United States forces to Europe. Our plans are based on the sincere expectation that our efforts will be met with similar action on their part. The purpose of this measure is to increase the effectiveness of our collective defense efforts and thereby insure the maintenance of peace.

243 Radio and Television Address to the American People Following the Signing of the Defense Production Act. *September 9, 1950*

[Broadcast from the President's Office in the White House at 10:30 p.m.]

My fellow citizens:

Last week I talked to you about Korea, and about our efforts to maintain peace and freedom in the world.

Tonight I want to talk to you about what we must do here at home to support our fighting men and to build up the strength which the free world needs to deter Communist aggression.

The leaders of Communist imperialism have great military forces at their command. They have shown that they are willing to use these forces in open and brazen aggression, in spite of the united opposition of all the free nations. Under these circumstances the free nations have no alternative but to build up the military strength needed to support the rule of law in the world. Only in this way can we convince the Communist leaders that aggression will not pay.

To do our part in building up our military strength and the military strength of the free nations throughout the world, the United

States must more than double its defense efforts. We have been spending about \$15 billion a year for defense. We are stepping up this rate rapidly. By next June, under our present plans, we expect to be spending at the rate of at least \$30 billion a year. In the year after that we shall probably have to spend more than \$30 billion. And we must be prepared to maintain a very strong defense program for many years to come.

This defense program cannot be achieved on the basis of business as usual. All of us—whether we are farmers, or wage earners, or businessmen—must give up some of the things we would ordinarily expect to have for ourselves and our families.

The danger the free world faces is so great that we cannot be satisfied with less than an all-out effort by everyone. We have not given up our goal of a better life for every citizen in this great country of ours. But, for the time being, we have to make absolutely sure that our economy turns out the

guns, the planes and tanks, and other supplies which are needed to protect the world from the threat of Communist domination.

To do this job we must meet and solve three harsh, tough problems.

First, we must produce the materials and equipment needed for defense.

Second, we must raise the money to pay the cost of our increased defense efforts.

Third, we must prevent inflation.

Solving these three problems is the challenge we face on the home front. And we must solve them if we are to preserve our freedom and the peace of the world.

First is the problem of producing the materials and equipment we need for defense. We can do that. But it will impose great demands upon the productive power of our economy.

To meet these demands we must do everything we can to expand our total production. This will require harder work and longer hours for everybody. It will mean additional jobs for women and older people.

It means that businessmen should expand productive facilities, develop new techniques, and increase efficiency in every way possible. It means enlarging our capacity to produce basic materials such as steel, aluminum, and copper.

America's productive ability is the greatest in the history of the world, and it can be expanded a great deal more to meet the conditions with which we are faced. With our economy now producing at an annual rate approaching \$275 billion, the goal I set last year of a \$300 billion economy by 1954 will undoubtedly be far surpassed. With this kind of dynamic growth, we can arm ourselves and help arm the free world. We can improve our industrial plant and maintain the civilian efficiency and morale which underlie our defensive strength.

But we cannot get all the military supplies we need now from expanded produc-

tion alone. This expansion cannot take place fast enough. Therefore, to the extent necessary, workers and plants will have to stop making some civilian goods and begin turning out military equipment.

This job of building new plants and facilities and changing over to defense production is a challenge to our free economy.

Management and labor can and will do most of this defense production job on their own initiative. But there are certain steps which the Government must take to see that the job is done promptly and well.

Yesterday I signed a new law, the Defense Production Act of 1950. This law will enable the Government to provide special financial help to businessmen where that is necessary to enlarge the production of our mines and factories for defense purposes.

This law also will enable the Government to make sure that defense orders have top priority, and that manufacturers get the steel, aluminum, copper, and other materials they need to fill such orders. This law gives the Government the power to prevent the hoarding of raw materials essential to defense. It also enables the Government to cut down the production of nonessential civilian goods that use up critical materials.

I have today issued an Executive order authorizing the appropriate agencies of the Government to exercise these new defense production powers. The administration of these and other powers granted by the new law will be coordinated by the Chairman of the National Security Resources Board, Mr. Stuart Symington.

I have directed the agencies to exercise these production powers vigorously and promptly, making use of every resource of American business, large and small. These powers will be administered with one paramount purpose in mind: to produce the defense equipment we need as rapidly as possible.

Our second problem is to pay for our increased defenses. There is only one sensible way to do this. It is the plain, simple, direct way. We should pay for them as we go, out of taxes.

There are very good reasons for this.

To the extent that we finance our defense effort out of taxes now, we will avoid an enormous increase in the national debt. During World War II, we borrowed too much and did not tax ourselves enough. We must not run our present defense effort on that kind of financial basis.

Furthermore, if we tax ourselves enough to pay for defense, we will help hold down prices. Inflation would hurt us more in the long run than higher taxes now. Inflation would benefit the few and hurt the many. Taxation—just and equitable taxation—is the way to distribute the cost of the defense fairly.

This means heavier taxes for everybody. It will mean a hard fight against those unpatriotic people who try, by every possible means, to make exorbitant profits out of the emergency and escape their fair share of the load.

But we can and we will win that fight.

No one should be permitted to profiteer at the expense of others because of our defense needs. Nobody should get rich out of this emergency.

Congress is now considering my request to increase corporation and individual income taxes about \$5 billion a year. This is only the first installment. I believe the Congress should enact further tax legislation as soon as possible. Among other things this should include a just and fair excess profits tax, which will recapture excess profits made since the start of the Communist aggression in Korea.

I hope that every one of you will get behind this plan of “pay as we go” for the defense program. I hope you will give your

full support to your representatives in Congress in enacting legislation to pay for this defense effort out of current income.

Our third problem is to carry out the defense program without letting inflation weaken and endanger our free economy.

Everybody must understand just why we have this problem and why it is so important to solve it.

The defense program means that more men and women will be at work, at good pay. At the same time, the supply of civilian goods will not keep pace with the growth of civilian incomes. In short, people will have more money to spend, and there will be relatively fewer things for them to buy. This inevitably means higher prices, unless we do something about it. Higher prices would lead to higher wages which in turn would lead to still higher prices. Then we would be started on the deadly spiral of inflation.

Everybody would lose if we let inflation go unchecked.

Workers would be hurt. The extra dollars in Saturday’s pay check would be taken away by the higher prices for Monday’s groceries.

The wives and children of our fighting men would be hurt even more. They would suffer far worse than our workers, because many of them are dependent on fixed family allowances.

Everybody living on a pension, on retirement benefits, or a fixed income of any kind would be hurt in the same way.

Millions of individuals would be caught between spiralling prices and lagging incomes.

The Government—and that means all of us—would be hurt because the cost of our defense program would skyrocket.

We must not let these things happen.

The new Defense Production Act provides the Government with certain powers

to stabilize prices and wages. But the fight against inflation is not just the Government's fight. It cannot be won just by issuing Government regulations.

It is your fight, the fight of all of us, and it can be won only if all of us fight it together.

I want to talk with you, first of all, about what we must do as loyal, intelligent, responsible citizens, quite apart from any Government regulations.

For the consumer the guiding principle must be: Buy only what you really need and cannot do without.

Every American housewife has a most important responsibility. She must not buy more than she needs. She must put off buying whenever she can. If she does this, there will be enough of the essentials—in fact, enough of almost everything—to go around. If the housewife insists on buying more than she needs, there will not be enough to go around, and prices will go up.

For example, there was a rise of about $2\frac{1}{2}$ percent in retail food prices between June 15 and July 15. Most of this rise was due to panic buying and profiteering. We are finding out now that there was no reason for panic. The ample supplies of sugar, for instance, show how foolish it was for some people to hoard sugar last June and July. We have plenty of food.

As foolish panic buying has subsided, retail food prices have declined more than $1\frac{1}{2}$ percent from their high levels of last July.

I am glad to see that people have stopped most of the scare buying that started right after the outbreak of Communist aggression in Korea. A lot of credit should go to those people throughout the country who have organized movements against hoarding and panic buying.

To take one example, housewives in Portland, Maine, signed and carried out an anti-hoarding pledge. This was a real service—

a real public service. It was a patriotic act, and I hope that other groups elsewhere are doing the same kind of thing to hold prices on an even keel.

For businessmen the guiding principle must be: Do not pile up inventories; hold your prices down.

There is obviously no excuse for price increases where costs have not risen—and in many industries costs have not risen since the outbreak of fighting in Korea. Where costs have risen, there is no excuse for price increases which go beyond the amount of the rise in cost. Individual price adjustments may have to be made here and there to correct inequities, but there is no need for general price increases. In fact, many businesses are enjoying large enough margins of profit so that they do not need to raise their prices even though they have incurred higher costs.

In cases where price increases have already been made without being justified by higher costs, businessmen should reduce these prices immediately. I have been told about companies that have increased the prices of all their products—all the way across the board—without corresponding increases in costs. That is just plain profiteering, and should not be tolerated.

If businessmen will conscientiously review their prices, we shall see fewer price increases in the days and weeks to come, and a good many price reductions.

For wage earners the guiding principle must be: Do not ask for wage increases beyond what is needed to meet the rise in the cost of living.

Our defense effort means that there will be an increasing number of jobs. If wage earners on that account ask for higher and higher wages, they will be driving prices up all along the line. For the time being, therefore, wage increases should not be sought beyond what is necessary to keep wages in

line with the cost of living. Existing inequities in wage rates, of course, can and should be corrected, with due consideration for recognized interindustry relationships.

There is another guiding principle that applies to all of us—consumers, wage earners, farmers, and businessmen. It is this: We should save as much as we can out of current income. Every dollar of saving now will serve several purposes. It will help hold prices down. It will help every family provide for the future. And it will also help provide investment funds needed to expand production.

The principles I have outlined will not be easy to maintain. They will require patriotism and self-restraint. But we are all in this situation together. We must be prepared to accept some reduction in our standards of living. I am sure that we will be willing to make sacrifices here at home, if we think of the much greater sacrifices being made by our sons and brothers and husbands who are fighting at the front.

If we adhere faithfully to the principles of self-restraint I have outlined, we can lessen the need for controls. But controls will still be necessary in some cases where voluntary individual action is not enough or where the honest majority must be protected from a few chiselers. In those cases, the Government will not hesitate to use its powers.

Government controls are needed right now to cut the volume of easy credit buying. Many of us would like to buy new household appliances, new automobiles, or new houses on easy terms—and pay for them out of future income. But at a time like the present, easy credit buying is a dangerous inflationary threat. It will drive prices up. Furthermore, it will use up materials that we need for defense.

To prevent this the Government is issuing an order requiring people to make higher down payments than usual, and to pay off

the balance faster, when they buy such things as automobiles and refrigerators. The Government is also tightening up on easy credit for houses, especially higher-priced houses, and this, too, will save materials for defense.

As for prices and wages, the Government is not putting on mandatory ceilings at this time. But we will impose ceilings vigorously and promptly when the situation calls for them.

So that we may be ready to impose price ceilings when they are needed, I have today issued an order under the Defense Production Act requiring businessmen to preserve the records of their prices and costs during the base period of May 24 to June 24, 1950. This means that information will be available to set ceilings at fair levels, and to identify the sellers who have taken advantage of the present emergency.

I have also issued an order establishing an Economic Stabilization Agency, to be headed by a Stabilization Administrator. This Administrator will guide our voluntary efforts to hold down inflation. It will also be his task to find out where and when price and wage controls are needed.

The Administrator will have under him a Director of Price Stabilization, who will help him determine what should be done to hold prices in line. He will also have under him a Wage Stabilization Board composed of representatives of labor, management, and the public. This board will help determine wage policies.

The Stabilization Agency will go to work first on present danger spots. The Agency will consult with management and labor and will attempt to work out the necessary safeguards without compulsion. However, if these efforts fail, price ceilings and wage restrictions will have to follow.

The law which the Congress has passed will enable us to get ahead with the defense production job. It will be faithfully ad-

ministered. There are two matters, however, which give me particular concern.

We cannot yet be sure that the new law permits effective use of selective controls. As a result we might have to resort to general controls before they are really necessary. This may prove to be a serious defect in the law which will require correction.

Secondly, we do not have authority for adequate rent control. What we gain in holding down other cost-of-living prices must not be lost by failure to hold down the cost of shelter. The existing rent law is inadequate to meet the present situation and should be improved. Meanwhile, State and local governments should take the necessary steps to keep present rent controls in effect.

We will undoubtedly need further legislation as we go along later. Right now, there is work enough and responsibility enough for all of us.

Our goals are plain.

We must produce the goods that are needed.

We should pay for our defense as we go.

We must hold the cost of living steady, and keep down the cost of the defense items.

All these things we can do if we work together, and share the sacrifices that must

be made. We can and must submerge petty differences in the common task of preserving freedom in the world.

The enormous resources and vitality of our free society have been proved. In World War II we astonished the world and astonished ourselves by our vast production. Since then our rate of growth has exceeded our expectations.

Today, spurred by the worldwide menace of Communist imperialism, we can surpass every previous record. I am certain that the American people, working together, can build the strength needed to establish peace in the world.

Every American must ask himself what he can do to help keep this Nation strong and free. We should ask God to give us the faith and courage we need. We should ask Him for that help which has preserved our Nation in the past, and which is our great reliance in the years to come.

NOTE: The President signed the Defense Production Act of 1950 on September 8 (64 Stat. 798).

On September 9 he signed Executive Order 10160, "Providing for the Preservation of Records for Certain Purposes of the Defense Production Act of 1950," and Executive Order 10161, "Delegating Certain Functions of the President Under the Defense Production Act of 1950" (3 CFR, 1949-1953 Comp., pp. 338 and 339).

244 Statement by the President Upon Signing the Budget and Accounting Procedures Act. *September 12, 1950*

I HAVE today signed the Budget and Accounting Procedures Act of 1950. This is the most important legislation enacted by the Congress in the budget and accounting field since the Budget and Accounting Act, 1921, was passed almost 30 years ago.

The budget provisions will enable the President to present the financial program of the Government in simpler and more meaningful terms. It will provide the basis for a better evaluation of Government programs

and activities in terms of where the funds come from, the purposes to which they are to be applied, and the costs involved.

The accounting and auditing provisions lay the foundation for far-reaching improvements and simplification. For the first time, clear-cut legislation is provided which nails down responsibility for accounting, auditing, and financial reporting in the Government. The legislation embodies the principles and objectives of the joint account-

ing program which has been successfully carried forward for several years under the leadership of the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget, in collaboration with all other agencies of the Government. This program has had my indorsement and support from the start.

A sound system of accounting in each agency, appropriately integrated for the Government as a whole, is fundamental to responsible and efficient administration in the Government.

This act provides a firm foundation for modernizing the Government's accounting along efficient lines to serve management purposes, safeguard the public funds, and inform the Congress and the taxpayers clearly of what happens to the funds provided for Government activities.

The implementation of the provisions of this act represents a tremendous task and will require a continuation of the same teamwork which has been demonstrated in the joint accounting program.

NOTE: The Budget and Accounting Procedures Act of 1950 is Public Law 784, 81st Congress (64 Stat. 832).

245 Letter Accepting Resignation of Louis Johnson as Secretary of Defense. *September 12, 1950*

My Dear Lou:

I have just read your letter.

It is clear to me that in writing it you have been actuated by motives of the highest patriotism, and I salute you. In the terribly regrettable circumstances which have arisen, I feel that I must concur in your judgment and accept your proffered resignation as Secretary of Defense, effective at the close of business on September 19, 1950.

The manner in which you have carried out the purposes of the National Security Act testifies to your high administrative skill and your devotion to the public welfare. The success of your efforts toward the unification of our armed services should be an abiding satisfaction to you, as it is to me. The country is in debt to you for your pioneering achievement in a field fraught with the greatest difficulties. Thanks in great part to your efforts, we build our national defense of the future on a solid foundation.

Your recommendation of General Marshall as your successor betokens the same

spirit of patriotism as the rest of your letter. I shall propose at once the legislation necessary to make it effective.

I shall feel free to continue to call upon you for advice.

With my warm personal regards, my thanks again for your distinguished services, and my best wishes, I am

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable Louis Johnson, The Secretary of Defense, Washington, D.C.]

NOTE: Mr. Johnson served as Secretary of Defense from March 23, 1949, through September 19, 1950. His letter of resignation, dated September 12, follows:

My dear Mr. President:

I have today presented to you the unanimous recommendations of the Joint Secretaries, the Joint Chiefs of Staff and myself for the rearmament of the United States in concert with the rearmament programs of the other free nations. The completion of these unanimous recommendations marks a milestone in our work for the security of the United States and the peace of the world.

When I undertook to serve as Secretary of Defense, at your request and that of Secretary Forrestal, I remarked to you privately and also remarked pub-

licly that it was inevitable, in the conscientious performance of my duties as Secretary of Defense, that I would make more enemies than friends. Somewhat ruefully, I now admit, I was right.

The unification of the armed forces has been accomplished in great degree. If it had not been accomplished we would not have been able to deploy our forces on a fighting front more than 5000 miles from our homeland as speedily as the three services have accomplished that unexpected task.

I am grateful to you for the support you have always given me, in my attempts to bring about unification of the services and in my work to establish alertness without waste or duplication in the Department of Defense.

Under normal conditions, the fact that I have made so many enemies would not concern me too greatly, for I could take comfort in the thought that I have made them in a good cause. But today, when American boys are laying down their lives in the cause of our national security and world peace, it seems to me that the country should have a Secretary of Defense who does not suffer under the handicap of the enemies I have acquired during the eighteen months I have served as a member of your Cabinet.

Accordingly, it is my recommendation that, at your earliest convenience, you accept the resignation which I tender herewith, and name as my successor a man of such stature that the very act of naming him to be Secretary of Defense will promote national and international unity. Such a man, in my

opinion, is General George Marshall—and I recommend his name to your thoughtful attention.

I recognize, of course, that many will argue that one of our great Generals should not be Secretary of Defense. I do not believe that this argument has validity in the case of General Marshall, who has already rendered distinguished service to his country, in a civilian capacity, as Secretary of State. I recognize also that an amendment to the National Security Act will be necessary, in order to make it legally permissible for General Marshall to serve as Secretary of Defense—but I believe that Congress will speedily amend the law in General Marshall's case, if you should so recommend.

General Marshall, more than any other individual I can think of, would be an inspiration to the people of the United States and to our allies. Moreover, he is a man who would assure that we would mobilize our forces speedily and that in doing so we would get a dollar's worth of defense for every dollar we spend. I know that you agree with me as to the continuing importance of this latter consideration. In my judgment, it is more essential today than ever before that the program for eliminating waste in the Defense Department be continued, as we proceed to build up our strength.

I want to express to you once more my deep appreciation for the understanding, cooperation, and support you have always given me. I am and shall always be grateful.

Sincerely yours,

LOUIS JOHNSON

246 Letter to Committee Chairmen Transmitting Bill To Permit General Marshall To Serve as Secretary of Defense. *September 13, 1950*

My dear Mr. Chairman:

Attached is a draft of legislation which would permit General George C. Marshall to serve as Secretary of Defense. I request that you lay this matter before your Committee with a view to obtaining early and favorable action by the Congress.

I am a firm believer in the general principle that our defense establishment should be headed by a civilian. However, in view of the present critical circumstances and of General Marshall's unusual qualifications, I believe that the national interest will be

served best by making an exception in this case.

I am sending a similar letter to _____.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters sent to the Honorable Millard E. Tydings, Chairman, Senate Armed Services Committee, and to the Honorable Carl Vinson, Chairman, House Armed Services Committee.

On September 18 the President approved a bill authorizing him "to appoint General of the Army George C. Marshall to the office of Secretary of Defense" (64 Stat. 853). The bill contained a provision that "the authority granted by this Act

is not to be construed as approval by the Congress of continuing appointments of military men to the office of Secretary of Defense in the future."

The Senate confirmed General Marshall as Secretary of Defense on September 20, and he took the oath of office on the following day.

247 Remarks to the National Association of Postal Supervisors. September 13, 1950

Mr. Chairman, Postmaster General, ladies and gentlemen:

The Postmaster General told me yesterday afternoon that he was having a postal supervisors and assistant postmasters meeting over here today, and that you had been in session for 4 days and that it had rained every day, and some of you had never been to the Capital City before, and you hadn't had a chance to see all the sights. And I thought maybe there was one sight that you might like to see.

About 2 or 3 weeks ago I had two nieces, wives of my brother's boys here, who had never been to Washington before, and my daughter happened to be at home that weekend, and she took them around. And then Mrs. Truman was here, too, at that time, and she took them around after my daughter had gone back to New York; and then my secretary finished up the job. And the poor kids could hardly walk. But I had two letters from both of them after they had recovered at home, in which they said they had had a grand time, but they would rather live in Missouri.

I am very much interested in the job which you are trying to do. That is a job that tends to make efficiency in Government. It seems to be the pastime of a great many people to throw bricks at the people who have to carry on the Government's operations. It has gotten so bad here lately that it is a difficult matter to find a man who is willing to take the rough treatment he has to receive in key positions, so that sometimes I have been refused the services of able and

distinguished men because they have regarded their private lives as their own—which all of us are entitled to have—and they have no private lives when they become Government employees, as you all know.

I hope that you will continue your efficient service. You know, my friend Jim Mead was chairman of the Post Offices Committee in the House for 8 years, and he was on that committee for 20 years. And he never brought in a minority report. Well, Jim and I worked together on another committee, of which I accidentally happened to be chairman for 3 or 4 years, and we never had a minority report.

You have as your Postmaster General a career man—for the first time, mind you, in the history of the country. I have the reputation, also, of having appointed more career ambassadors than any other President that ever sat in the White House.

I like to reward people who have spent their lives working for the welfare of the country. I have just suggested to Congress that I would like to appoint a career man Secretary of Defense.

The welfare of the country as a whole is in your hands. The efficiency with which you do the job to which you are assigned means efficient service, economic service, and service that the people like.

I don't think there is any other service in the Government which is as important—possibly with the exception of State, Defense, and a few others—as what you have to do.

I have a lot of old letters that my grand-

fathers wrote to my grandmothers, without any postage stamps on them at all. There was a seal, and on the corner of it was "Collect"—19 cents—22 cents—whatever was necessary to pay the cost of the transporting of that letter from Kentucky to Missouri, or from Salt Lake City to Independence, or wherever it happened to come from.

Now you are responsible for the cheapest lines of communication in the history of

the world—and the most efficient.

It gives me a lot of pleasure to come over here and let you see me as one of the sights in Washington.

NOTE: The President spoke at 9:05 p.m. at the Statler Hotel in Washington. In his opening words he referred to John A. McMahon, president of the National Association of Postal Supervisors, and Jesse M. Donaldson, Postmaster General.

The 32d convention of the National Association of Postal Supervisors was held in Washington September 11–13, 1950.

248 Statement by the President Upon Signing Bill Establishing a New Grand Teton National Park. *September 14, 1950*

I HAVE today approved S. 3409, which establishes a new Grand Teton National Park in the State of Wyoming.

This legislation is a significant achievement in assuring the continued use and enjoyment by the public of one of the most majestic and colorful areas of our country. The new park comprises all of the existing Grand Teton National Park, together with most of the adjoining lands that were set aside in 1943 as Jackson Hole National Monument. This consolidation rounds out the park area by including in it the historic Jackson Hole Valley and the foreground of the spectacular Teton mountain range. The terms of the new act will make it possible to go forward with the recreational development of the area on a sound and enduring basis. Those relatively small portions of the national monument that are not included in the new park will be added to the National Elk Refuge and the Teton National Forest, where they will be administered for appropriate conservational purposes.

The new law also contains a number of features which are designed to recognize the interests and wishes of the people living

in the immediate vicinity of Grand Teton National Park. It makes provision for payments out of park revenues to compensate the county government for tax losses on lands acquired for park purposes during the transitional period while recreational values are being developed. It provides for the continuance over a period of years of existing leases or permits authorizing residential or grazing use of Federal lands within the park area, and establishes other safeguards for the protection of the ranchers who now cross or use these lands. It specifies detailed procedures for the management of the elk herd which migrates through the region where the park is located, and accords the State of Wyoming a voice in determining the size at which the herd shall be maintained and the occasions when reductions shall be undertaken.

These special provisions are, of course, intended to take care of particular circumstances in the Grand Teton area. Naturally, this does not mean that such provisions ought necessarily to be approved for other national parks or monuments.

The development of this legislation has required very careful study by the congress-

sional committees and the Federal and State agencies concerned. The legislation provides a practical and equitable solution of the controversial issues which, in the past, have impeded effective use of the lands incorporated in the new Grand Teton Na-

tional Park. S. 3409 offers a promising basis for effective administration of these lands in the public interest.

NOTE: As enacted, S. 3409 is Public Law 787, 81st Congress (64 Stat. 849).

249 Letter to Senator Thomas on the Distribution of Surplus Perishables to Welfare and Relief Agencies.

September 14, 1950

Dear Senator Thomas:

Under Section 416 of the Agricultural Act of 1949, this Government has made certain perishable surplus commodities available to public and private welfare and relief agencies at home and abroad. Dried milk, dried eggs, cheese and butter acquired under our price support program and not saleable on the open market, have been offered to these agencies without charge, in order to forestall spoilage and waste.

We have done this because it makes no sense for the Government to store surpluses which cannot be sold and will surely spoil, while there are people in our own country or overseas who badly need the food.

Unfortunately, the welfare and relief organizations to whom we have offered these surpluses, have often been unable to pay the cost of transporting the food from government warehouses to distribution and shipping points. Transportation within the United States has been a particular problem for relief agencies overseas. As a result, our gifts have been refused in many cases, and the Government has had no choice but to continue to store the food.

In order to remedy this situation, the House of Representatives has recently passed a bill, H.R. 9313, which is now pending be-

fore the Senate Agriculture and Forestry Committee. This bill would authorize the Government to pay costs of transportation in cases of this kind from storage to central distribution points for domestic use and to ports for shipment overseas. The appropriate public and private agencies would be expected to pay for further shipment and handling.

The school lunch programs and the Federal Government's other welfare activities would be the first to benefit. State, local and private relief organizations would also be assisted. The agencies of the United Nations and the many private groups contributing to the welfare of those in need abroad would be helped greatly. This will not be a costly program. It is no more expensive to ship dried eggs and milk, for example, than to carry them in storage for months on end.

We have a statute on the books permitting us to give these perishable foods to those in need. We ought at once to take the necessary steps to put this authority into effect and get these surpluses where they will do some good. As I recall, you were the principal sponsor of this program of surplus disposal. I hope it will be possible for your Committee to follow up on the original law

by reporting H.R. 9313 to the Senate in time for final Congressional action at the current session.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Elmer Thomas, United States Senate, Washington, D.C.]

NOTE: Senator Thomas was Chairman of the Senate Agriculture and Forestry Committee. On September 15 the Committee favorably reported the bill, but no action was taken on it by the Senate.

250 The President's News Conference of September 14, 1950

THE PRESIDENT. [1.] I have a statement here that I want to make. It will be available for you in mimeographed form after the press conference is over.

[Reading] "It has long been the view of the United States Government that the people of Japan were entitled to a peace treaty which would bring them back into the family of nations. As is well known, the United States Government first made an effort in 1947 to call a conference of the nations holding membership in the Far Eastern Commission to discuss a peace treaty with Japan. However, procedural difficulties at that time and since have prevented any progress.

"The United States Government now believes that an effort should again be made in this direction, and I have therefore authorized the Department of State to initiate informal discussions as to the future procedure, in the first instance with those governments represented on the Far Eastern Commission, and the ones most actively concerned in the Pacific war. It is not expected that any formal action will be taken until an opportunity has been had to assess the results of these informal discussions.

"The policy in regard to a Japanese peace treaty is in accord with the general effort of the United States to bring an end to all the war situations. We have long pressed the U.S.S.R. for an Austrian treaty, and we are

exploring the possibility of ending the state of war with Germany."

Any questions? I will be glad to try to answer questions.

[2.] Q. Mr. President, recently you said that Secretary Johnson would not resign while you are President, and that he was not embarrassing you. I wonder if you would tell us now what caused you to accept his resignation?

THE PRESIDENT. The letter speaks for itself. I have no further comment to make. That is a closed incident.¹

[3.] Q. Mr. President, in his Chicago speech last night, Chairman Guy Gabrielson² said that, and I am quoting: "President Truman should have dismissed Secretary of State Acheson along with Secretary of Defense Louis Johnson." Have you any comment on that?

THE PRESIDENT. Secretary Acheson is still Secretary of State, and he will remain Secretary of State.

[4.] Q. Mr. President, we have an inquiry from Tel Aviv as to whether Mr. Bartley Crum will succeed Mr. McDonald as Ambassador to Israel. Do you know anything about that?

THE PRESIDENT. Mr. McDonald has not yet presented me with his resignation, and

¹ See Item 245.

² Guy G. Gabrielson, chairman of the Republican National Committee.

I have not considered his successor as yet.³

[5.] Q. Mr. President, this morning Charlie Ross⁴ confirmed that you had received some *pro forma* resignations from some of the members of the Defense Establishment. Have you?

THE PRESIDENT. That is customary. That is customary.

Q. Yes sir. Have you received any from the three Secretaries of the services?

THE PRESIDENT. No, I haven't.

Q. Do you expect that to come, sir?

THE PRESIDENT. I judge soon. It is customary. That doesn't necessarily mean that they will be accepted.

Q. Mr. President, have you selected a Deputy Secretary of Defense yet?

THE PRESIDENT. No, I have not. I will announce it as soon as I select one.

Q. Mr. President, will General Marshall have a pretty large voice in who will be Deputy Secretary?

THE PRESIDENT. He will be consulted, of course.

[6.] Q. Mr. President, in the informal discussions between the Department of State with members of the Far Eastern Commission on the proposed Big Three with Japan, will the discussions also be held with the U.S.S.R.?

THE PRESIDENT. Oh, certainly. They are a party to it. They had their occupation forces in Japan.

[7.] Q. Mr. President, do you feel any better about the Mundt-Nixon-Ferguson-Wood bill?

THE PRESIDENT. I think I made the statement to you last week that the Mundt-Nixon bill, in the form in which I knew it, was ob-

jectionable to me, and if it had come to me I wouldn't sign it. If it came up in that form, I would feel the same way. But, of course, I can't pass on legislation until it is before me and has been analyzed. The bill has to be rewritten in conference, as the House and Senate are not in agreement as to what the bill will contain. When the bill comes before me, I will have it analyzed and then I will let you know exactly what I am going to do with it, and promptly.⁵

Q. Mr. President, just to clear the record, you said at the time that the McCarran bill was a little worse—

THE PRESIDENT. I think it was worse—I think it is.

Q. I just wondered if the additions to that had been—

THE PRESIDENT. I can't answer that because I don't know what it is. That is the reason I have to wait and see what I am going to do. Go ahead.

Q. I wanted to get that straightened out.

[8.] Q. Mr. President, will you be able to give us any time soon when you might put this economic stabilization—when you will name the man who will run it?

THE PRESIDENT. As soon as I find the man, I will let you know right away.

[9.] Q. Mr. President, if Russia continues to take the attitude that it has been taking on the Japanese treaty, which so far has been unsatisfactory, will we go ahead with the informal talks with the other countries—

THE PRESIDENT. We will cross that bridge when we get to it.

[10.] Q. Mr. President, do you have any analysis—your own analysis of the results of the Maine elections? ⁶

³ The resignation of James G. McDonald as Ambassador to Israel became effective on December 31, 1950. The nomination of Monnett B. Davis, of Colorado, to succeed him in that post was confirmed by the Senate on February 1, 1951.

⁴ Charles G. Ross, Secretary to the President.

⁵ See Item 254.

⁶ The Maine election, held September 11, resulted in a Republican sweep of the top offices, but both the Republican and Democratic national chairmen had issued statements interpreting the results as indicating a favorable trend.

THE PRESIDENT. Yes, I have. I am very much pleased with them. The Democrats made tremendous gains in the Maine election. They have cast the largest Democratic vote in Maine than they ever had before—larger than 1948. And the Republicans cast a smaller vote than they did in 1948. So it looks very, very encouraging to me.

Q. Mr. President, encouraging for what? [Laughter]

THE PRESIDENT. Well, what are we going after, Miss May? ⁷ We want a Democratic Congress this fall. It means—I think it means a Democratic Congress this fall.

Q. You mean encouraging for this coming election?

THE PRESIDENT. Yes, that's correct. Encouraging for the *Democrats*, Miss May. [Laughter]

Q. Yes sir—I understand.

THE PRESIDENT. I want it to be perfectly clear, Miss May. [More laughter]

Q. You've got the figures?

THE PRESIDENT. If you look at them—if you look at them, they are very encouraging.

Q. Mr. President—

Q. Mr. President—pardon me—

THE PRESIDENT. Go ahead. I'll get to you after a while.

[11.] Q. I wonder if you think the Taft-Hartley failure of the Congress in the last session reveals that the Taft-Hartley Act will be an issue in this campaign?

THE PRESIDENT. I think it is an issue in Ohio right now.

Did you have a question you wanted to ask?

[12.] Q. What do you think of the Australian Foreign Minister's proposal for a Pacific pact with the rest of the Latin American nations?

THE PRESIDENT. I asked the Australian

⁷ Mrs. May Craig of the Portland (Maine) Press Herald.

Minister for External Affairs to discuss the matter with the Secretary of State, and then I would discuss it further.

[13.] Q. Mr. President, in reference to the McCarran bill—considering it—will you have in mind the fact that Congress presumably is going home within a few days?

THE PRESIDENT. I told you that I would take action as promptly as I could get the bill analyzed.

Q. One other thing, sir. Every time you mentioned it, you have said you wouldn't sign it. Are you spreading—

THE PRESIDENT. In the form—in the form in which it was presented to the Senate. Now I don't know what kind of bill we are going to get. I can't tell you until it is before me. I will give you an answer on it very promptly.

[14.] Q. One other thing, sir. You haven't to date ever used the so-called pocket veto, have you, sir?

THE PRESIDENT. No. I don't believe in pocket vetoes.

Mr. Ayers: Mr. President, you did use it on one or two unimportant bills.

THE PRESIDENT. Eben Ayers ⁸ informs me that I did use the pocket veto, but not intentionally. I think it was—the things expired before I got around to them, and they were not important.

[15.] Q. Mr. President, have you seen General Marshall since he accepted the appointment over the telephone?

THE PRESIDENT. No. I talked to him over the telephone. I haven't seen him.

[16.] Q. Mr. President, what do you think about Senators who talk about the number of atomic bombs that we have—in official positions?

THE PRESIDENT. I have no comment to make on that.

[17.] Q. Mr. President, in connection with the discussions on the Japanese peace

⁸ Eben A. Ayers, Assistant Press Secretary.

treaty, will the question of rearming Japan come up?

THE PRESIDENT. That whole matter will be discussed by the conferees on that, I am sure.

[18.] Q. Mr. President, do you have any hopes or reasonable expectation of action by Congress towards suspending the copper tax?⁹

THE PRESIDENT. I ask for it every time I have an interview with any of them.

[19.] Q. Mr. President, it is said that Frank Graham's name is being considered for head of the Red Cross?

THE PRESIDENT. Senator Frank Graham's name has been suggested to me as head of the Red Cross. General Marshall has not resigned yet, however, and I can make no comment.¹⁰

[20.] Q. Mr. President, if I remember your statement, you said that we were exploring the possibility of a German peace treaty—peace settlement with the Germans. I wonder if you anticipated any progress more than we have had?

THE PRESIDENT. Well, I can't answer that question—I can't answer that question.

Q. I thought it would apply——

THE PRESIDENT. We are exploring the possibility of such a thing, but I can't tell you what progress. We have been right up to the signing of the Austrian peace treaty for the last 3 years, and haven't signed it yet.

Q. Will the German matter specifically be reopened the same as the Japanese, sir?

THE PRESIDENT. That is being explored, and I can't give you an answer on that.

Q. Would that mean—I don't want to press you——

THE PRESIDENT. It's all right.

Q. —would that mean that there is a

possibility of any Big Four meeting, in which it has been discussed, of course, before—the German treaty?

THE PRESIDENT. It will be discussed by the foreign ministers.

Q. In the Big Four?

THE PRESIDENT. Yes, just as it always has been discussed.

Q. Then we are working on the possibilities of another Big Four meeting?

THE PRESIDENT. Well, I don't know about that. All this reference that—I am talking about the foreign ministers, not the heads of states.

Q. I am talking about the foreign ministers.

THE PRESIDENT. That's all right. I am in agreement then.

Q. The idea of it being explored at another meeting?

THE PRESIDENT. That's right.

Q. On the German peace treaty?

THE PRESIDENT. That's right. That's correct—that's correct.

Reporter: Thank you, Mr. President.

THE PRESIDENT. That's all right. Your seats are too comfortable, you hate to get up! [Laughter]

NOTE: President Truman's two hundred and thirty-ninth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, September 14, 1950.

The following statement was issued later in the evening by Charles G. Ross, Secretary to the President.

"In the statement issued by the President at the press conference today, he said, 'We are exploring the possibility of ending the state of war with Germany.'"

"This statement had no reference to an ultimate peace treaty with Germany, which is not under consideration at this time, but to the legal state of war which still exists with that country.

"This is one of the subjects now being discussed by Mr. Schuman, Mr. Bevin, and Mr. Acheson in New York, and envisages only actions which might be taken by those three powers in occupation of Western Germany."

⁹ See Item 231.

¹⁰ See Item 278 [1].

251 Special Message to the Congress Transmitting a Report of the National Security Resources Board. *September 18, 1950*

To the Congress of the United States:

I transmit herewith for the consideration of the Congress a report entitled "United States Civil Defense", which has been submitted to me by the Chairman of the National Security Resources Board.

This report provides a set of suggested guide posts for States and local communities, who have the principal responsibility for organizing and training the many types of specialized groups needed to cope with the potential damage of devastating modern weapons.

This report also sets forth a basic plan for the Federal Government's part in the national civil defense effort, and recommends Federal civil defense legislation and the establishment of a Civil Defense Administration.

I believe this report presents a sound and workable outline of the civil defense problems we face, and what the Federal, State, and local governments should do to meet them. I urge the members of the Congress to consider this report carefully over the next few weeks as a basis for the enactment of legislation in the near future.

Copies of the report are also being trans-

mitted to each Governor, and to the mayors of our larger cities. I urge them to give the report their early attention so that the States and local communities will be prepared to move ahead rapidly with their own plans.

In the meantime, I intend to establish a temporary Civil Defense Administration, which will carry forward the civil defense work until permanent legislation is enacted by the Congress, and which will provide a central point of leadership for State and local efforts.

As this report makes clear, the civil defense of the United States in the event of emergency will be of the greatest importance. The organization of an effective civil defense system involves many difficult problems. It will require the combined, unselfish work of all units of Government and many hundreds of thousands of private citizens. I am sure that everyone concerned will approach his part of the preparedness task with the spirit of initiative and cooperation which are characteristic of our free society.

HARRY S. TRUMAN

NOTE: The report, entitled "United States Civil Defense," was published by the Government Printing Office (162 pp., 1950).

252 Letter to Committee Chairmen on the Wherry Amendment to the Supplemental Appropriations Bill. *September 20, 1950*

My dear Mr. Chairman:

When the Senate passed H.R. 9526, the Supplemental Appropriation Bill for 1951, it added an amendment, offered by Senator Wherry, which would require the United States to cut off economic and financial assistance to all countries which export to the Soviet Union or its satellites any articles which might be used for the production of

military materiel. This amendment is of such grave importance, and is fraught with such danger to the United States and to world peace, that I feel I must make a special request to the Congress to eliminate it in completing action upon this bill.

No one can quarrel with the ostensible purpose of the amendment—to weaken the war-making potential of communist domi-

nated countries—and on the surface the amendment may seem to be a plausible means for accomplishing that end. But the fact is that it would defeat its own purpose and accomplish substantially the opposite result from that intended—it would weaken the free nations more than it would weaken the Soviet bloc.

The amendment applies not only to arms and armaments but to any articles that could be used for the production of military materiel. Since almost all goods and commodities can be used for the production of military materiel in one way or another, the amendment, if effective, would require a substantially complete embargo on trade between Western and Eastern Europe. The countries participating in the European Recovery Program have embargoed the export of arms and armaments to Eastern Europe for some two years. But trade in other commodities has continued to some extent. This trade works both ways, of course. Countries of Western Europe obtain from it goods which are vital to their economic and military strength—the very strength we are helping to build up. To cut this trade off suddenly, would bring about dislocations in the Western nations that would more than offset any advantages that might be gained.

The appropriate agencies of the Government have been negotiating, and will continue to negotiate, with countries receiving aid from us in order to curb trade that would aid the war potential of the Soviet bloc, and to do this in a way that would protect the strength of friendly nations. These negotiations have produced very substantial results and I am confident they will continue to do so. This method, which permits selective and cooperative treatment of the host of varying problems in this field, is far superior to the arbitrary blanket approach

prescribed in the amendment now in question.

The amendment affects countries in the Near East and Far East as well as in Europe. Some of these countries do not have strong traditional ties with the Western World. It is important to us to develop and strengthen these ties, which is one of the aims of our assistance programs. While they are friendly to the United States, the trade of those countries with the Soviet Union may be so important to them economically that they would have no alternative but to forego the limited economic aid which we now make available to them. The amendment leaves no room for negotiation, and accordingly would tend to force such countries into the Soviet orbit, in spite of their friendship for the United States. The amendment would also have most unfortunate effects on our relations with the Latin American countries. I am sure these are results wanted by nobody who supports the amendment.

Before legislation of this character is adopted, we ought to be sure that we would get more out of it than we would lose. I am convinced that this amendment in its present form would not accomplish the purpose intended but, on the contrary, would do much more harm than good.

Consequently, I earnestly urge the Congress to leave the amendments out of the bill.

I am sending a similar letter to———.

Sincerely,

HARRY S. TRUMAN

NOTE: This is the text of identical letters sent to the Honorable Kenneth McKellar, Chairman of the Senate Committee on Appropriations, and to the Honorable Clarence Cannon, Chairman of the House Committee on Appropriations.

On September 27, 1950, the President approved the Supplemental Appropriation Act of 1951 (64 Stat. 1044). The proposed amendment offered by Senator Kenneth S. Wherry of Nebraska was not included in the final bill.

253 The President's News Conference of September 21, 1950

THE PRESIDENT. Be seated, please. I have no special announcements to make, so I will listen for questions.

[1.] Q. Mr. President, General Marshall, before the Senate committee, disclaimed personal responsibility for our China policy of 1946.

THE PRESIDENT. He was not Secretary of State at that time. He was a special envoy of mine and he went there for the Secretary of State and myself, and he had his instructions and they are in writing.

Q. Yes sir.

[2.] Q. Mr. Truman, have you any comment to make on whether you will veto the antisubversive bill? ¹

THE PRESIDENT. It hasn't reached me yet, and I will not keep you in suspense. I will let you have the answer just as quickly as the bill gets on my desk.

[3.] Q. Mr. President, have you any comment on certain Democratic Senators whose record on foreign affairs voting equals or surpasses that of Senator Taft?

THE PRESIDENT. I think you will find that there are very few, and I think you will find that there are more Republicans who voted the right way than there are Democrats who went wrong, so it is still a bipartisan foreign policy.

Q. Mr. President, do you subscribe to what Mr. Harriman had to say about Senator Taft's voting record? ²

THE PRESIDENT. Yes, I do. The record will speak for itself.

¹ See Item 254.

² In an address before the American Federation of Labor convention in Houston on September 19, W. Averell Harriman, Special Assistant to the President, stated that Communist objectives would have been furthered had Congress followed Senator Robert A. Taft's opposition to the Marshall plan and the North Atlantic Treaty.

[4.] Q. Mr. President, will you appoint an NLRB general counsel before recess?

THE PRESIDENT. If I can find the right man, I will not hesitate to appoint him. I have several people under consideration.³

Q. What was that?

THE PRESIDENT. I say I have several people under consideration.

Q. Could you tell us who—

THE PRESIDENT. No names mentioned. [Laughter]

[5.] Q. Mr. President, there are a number of pending appointments in the economic setup, and also in the Under Secretary of Defense—Deputy Secretary. Are you anywhere near filling those?

THE PRESIDENT. I am going to fill them just as quickly as I can find the men for the places. There will be no delay, if I can help it.

[6.] Q. Mr. President, regarding the stabilization agency. What can you say about the stabilization agency that you ordered created by Executive order, September 9th ⁴—

THE PRESIDENT. You want to know who the stabilization director will be? I can't tell you at this minute.

[7.] Q. Mr. President, I would like to come down to the cost of living, if I may. Most people's wages are not going up, and most people's food expenses, particularly, are going up very fast.

THE PRESIDENT. I agree with that—

Q. Do you have any plans—

THE PRESIDENT. —I agree with that. Yes, we are working on plans all the time to

³ See Item 258 [1].

⁴ Executive Order 10161 "Delegating Certain Functions of the President Under the Defense Production Act of 1950" (3 CFR, 1949-1953 Comp., p. 339).

meet that situation.

Q. Could you tell us how soon—how?

THE PRESIDENT. No, I can't. I can't tell you how soon. I am no prophet. I work to the point and as soon as I get there, I will act. And as soon as I act, then you will know all about it. And I am going to do it as expeditiously as I can, but it has to be done in an orderly manner.

We are trying to avoid the mistakes which were made at the beginning of the Second World War. I was present at that time. And we are trying to attain the position which we held when that war was over, without going through all the travail—the travail and the trial and error business which had to be gone through at that time because we didn't know how.

[8.] Q. Mr. President, there is world-wide interest in the reports of the scarcity in wool and possible international arrangements regarding the wool trade. Has that received your consideration?

THE PRESIDENT. That has not reached my desk as yet. It probably will be there. Everything finally arrives there. [*Laughter*]

[9.] Q. Mr. President, getting back to prices, Chester Bowles⁵ saw you yesterday, and afterwards he said that he had outlined to you, and he favored very strongly, the imposition of selective controls on basic commodities just as soon as possible. Do you favor the same thing?

THE PRESIDENT. That has been discussed throughout the Government, and we haven't arrived at a conclusion on it as yet. We are working as hard as we can to meet the situation as we find it.

[10.] Q. Mr. President, have you any comment on the meeting of the foreign ministers in New York?

THE PRESIDENT. I think they are making

⁵ Governor of Connecticut and former head of the World War II Office of Price Administration.

great progress, and I think before they get through they will have attained their objectives. It takes time to do things like that.

[11.] Q. Mr. President, it now looks as though Congress will quit this week. Do you have any comment to make on the record of this Congress compared with the previous Congress—

THE PRESIDENT. This Congress has given me what I asked for substantially. There are some things, of course, that aren't finished as yet, but I am very well pleased with the progress that this Congress has made, and I think they feel like they have accomplished the purpose for which they met. And now they want to go home and attend to a little private business—and I am for them. [*Laughter*]

[12.] Q. Mr. President, do you plan to do any campaigning?

THE PRESIDENT. What?

Q. Do you plan to do any campaigning?

THE PRESIDENT. I have no plans.

[13.] Q. Mr. President, have you decided what our troops will do when they reach the 38th parallel in Korea?

THE PRESIDENT. No, I have not. That is a matter for the United Nations to decide. That is a United Nations force, and we are one of the many who are interested in that situation. It will be worked out by the United Nations and I will abide by the decision that the United Nations makes.

[14.] Q. Mr. President, are you naming Sarah Hughes of Dallas to the Federal Trade Commission?

THE PRESIDENT. Naming who?

Q. Sarah Hughes?

THE PRESIDENT. She is under consideration.

Q. Who?

THE PRESIDENT. Sarah Hughes of Texas, to the Federal Trade Commission.

[15.] Q. Mr. President, Congress completed action Tuesday, I believe, on a bill occasioned by deportation proceedings

against a Dr. Mario Pianetto. Has that come to your attention?

THE PRESIDENT. No, it hasn't—no, it hasn't.

[16.] Q. Mr. President, I perceive the presence in the room of a group of distinguished journalists from many foreign countries. Do you wish to make any comment with reference to their visit here?

THE PRESIDENT. I am more than happy that they are here. I expect to meet them all after

this press conference is over, and ask them how they liked the greatest show in Washington. [Laughter]

[Pause here]

Reporter: A little brief today—thank you.

THE PRESIDENT. That's all right!

NOTE: President Truman's two hundred and fortieth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Thursday, September 21, 1950.

254 Veto of the Internal Security Bill. *September 22, 1950*

To the House of Representatives:

I return herewith, without my approval, H.R. 9490, the proposed "Internal Security Act of 1950."

I am taking this action only after the most serious study and reflection and after consultation with the security and intelligence agencies of the Government. The Department of Justice, the Department of Defense, the Central Intelligence Agency, and the Department of State have all advised me that the bill would seriously damage the security and the intelligence operations for which they are responsible. They have strongly expressed the hope that the bill would not become law.

This is an omnibus bill containing many different legislative proposals with only one thing in common: they are all represented to be "anti-communist." But when the many complicated pieces of the bill are analyzed in detail, a startling result appears.

H.R. 9490 would not hurt the communists. Instead, it would help them.

It has been claimed over and over again that this is an "anti-communist" bill—a "communist control" bill. But in actual operation the bill would have results exactly the opposite of those intended.

It would actually weaken our existing internal security measures and would seriously hamper the Federal Bureau of Investigation and our other security agencies.

It would help the communists in their efforts to create dissension and confusion within our borders.

It would help the communist propagandists throughout the world who are trying to undermine freedom by discrediting as hypocrisy the efforts of the United States on behalf of freedom.

Specifically, some of the principal objections to the bill are as follows:

1. It would aid potential enemies by requiring the publication of a complete list of vital defense plants, laboratories, and other installations.

2. It would require the Department of Justice and its Federal Bureau of Investigation to waste immense amounts of time and energy attempting to carry out its unworkable registration provisions.

3. It would deprive us of the great assistance of many aliens in intelligence matters.

4. It would antagonize friendly governments.

5. It would put the Government of the United States in the thought control business.

6. It would make it easier for subversive aliens to become naturalized as United States citizens.

7. It would give Government officials vast powers to harass all of our citizens in the exercise of their right of free speech.

Legislation with these consequences is not necessary to meet the real dangers which communism presents to our free society. Those dangers are serious, and must be met. But this bill would hinder us, not help us, in meeting them. Fortunately, we already have on the books strong laws which give us most of the protection we need from the real dangers of treason, espionage, sabotage, and actions looking to the overthrow of our Government by force and violence. Most of the provisions of this bill have no relation to these real dangers.

One provision alone of this bill is enough to demonstrate how far it misses the real target. Section 5 would require the Secretary of Defense to "proclaim" and "have published in the Federal Register" a public catalogue of defense plants, laboratories, and all other facilities vital to our national defense—no matter how secret. I cannot imagine any document a hostile foreign government would desire more. Spies and saboteurs would willingly spend years of effort seeking to find out the information that this bill would require the Government to hand them on a silver platter. There are many provisions of this bill which impel me to return it without my approval, but this one would be enough by itself. It is inconceivable to me that a majority of the Congress could expect the Commander-in-Chief of the armed forces of the United States to approve such a flagrant violation of proper security safeguards.

This is only one example of many provisions in the bill which would in actual practice work to the detriment of our national security.

I know that the Congress had no intention of achieving such results when it passed this bill. I know that the vast majority of the members of Congress who voted for the bill sincerely intended to strike a blow at the communists.

It is true that certain provisions of this bill would improve the laws protecting us against espionage and sabotage. But these provisions are greatly outweighed by others which would actually impair our security.

I repeat, the net result of this bill would be to help the communists, not to hurt them.

I therefore most earnestly request the Congress to reconsider its action. I am confident that on more careful analysis most members of Congress will recognize that this bill is contrary to the best interests of our country at this critical time.

H.R. 9490 is made up of a number of different parts. In summary, their purposes and probable effects may be described as follows:

Sections 1 through 17 are designed for two purposes. First, they are intended to force communist organizations to register and to divulge certain information about themselves—information on their officers, their finances, and, in some cases, their membership. These provisions would in practice be ineffective, and would result in obtaining no information about communists that the FBI and our other security agencies do not already have. But in trying to enforce these sections, we would have to spend a great deal of time, effort, and money—all to no good purpose.

Second, those provisions are intended to impose various penalties on communists and others covered by the terms of the bill. So far as communists are concerned, all these penalties which can be practicably enforced are already in effect under existing laws and procedures. But the language of the bill is so broad and vague that it might well result

in penalizing the legitimate activities of people who are not communists at all, but loyal citizens.

Thus the net result of these sections of the bill would be: no serious damage to the communists, much damage to the rest of us. Only the communist movement would gain from such an outcome.

Sections 18 through 21 and section 23 of this bill constitute, in large measure, the improvements in our internal security laws which I recommended some time ago. Although the language of these sections is in some respects weaker than is desirable, I should be glad to approve these provisions if they were enacted separately, since they are improvements developed by the FBI and other Government security agencies to meet certain clear deficiencies of the present law. But even though these improvements are needed, other provisions of the bill would weaken our security far more than these would strengthen it. We have better protection for our internal security under existing law than we would have with the amendments and additions made by H.R. 9490.

Sections 22 and 25 of this bill would make sweeping changes in our laws governing the admission of aliens to the United States and their naturalization as citizens.

The ostensible purpose of these provisions is to prevent persons who would be dangerous to our national security from entering the country or becoming citizens. In fact, present law already achieves that objective.

What these provisions would actually do is to prevent us from admitting to our country, or to citizenship, many people who could make real contributions to our national strength. The bill would deprive our Government and our intelligence agencies of the valuable services of aliens in security operations. It would require us to exclude and to deport the citizens of some friendly non-communist countries. Furthermore, it

would actually make it easier for subversive aliens to become United States citizens. Only the communist movement would gain from such actions.

Section 24 and sections 26 through 30 of this bill make a number of minor changes in the naturalization laws. None of them is of great significance—nor are they particularly relevant to the problem of internal security. These provisions, for the most part, have received little or no attention in the legislative process. I believe that several of them would not be approved by the Congress if they were considered on their merits, rather than as parts of an omnibus bill.

Section 31 of this bill makes it a crime to attempt to influence a judge or jury by public demonstration, such as picketing. While the courts already have considerable power to punish such actions under existing law, I have no objection to this section.

Sections 100 through 117 of this bill (Title II) are intended to give the Government power, in the event of invasion, war, or insurrection in the United States in aid of a foreign enemy, to seize and hold persons who could be expected to attempt acts of espionage or sabotage, even though they had as yet committed no crime. It may be that legislation of this type should be on the statute books. But the provisions in H.R. 9490 would very probably prove ineffective to achieve the objective sought, since they would not suspend the writ of habeas corpus, and under our legal system to detain a man not charged with a crime would raise serious constitutional questions unless the writ of habeas corpus were suspended. Furthermore, it may well be that other persons than those covered by these provisions would be more important to detain in the event of emergency. This whole problem, therefore, should clearly be studied more thoroughly before further legislative action along these lines is considered.

In brief, when all the provisions of H.R. 9490 are considered together, it is evident that the great bulk of them are not directed toward the real and present dangers that exist from communism. Instead of striking blows at communism, they would strike blows at our own liberties and at our position in the forefront of those working for freedom in the world. At a time when our young men are fighting for freedom in Korea, it would be tragic to advance the objectives of communism in this country, as this bill would do.

Because I feel so strongly that this legislation would be a terrible mistake, I want to discuss more fully its worst features—sections 1 through 17, and sections 22 and 25.

Most of the first seventeen sections of H.R. 9490 are concerned with requiring registration and annual reports, by what the bill calls “communist-action organizations” and “communist-front organizations,” of names of officers, sources and uses of funds, and, in the case of “communist-action organizations,” names of members.

The idea of requiring communist organizations to divulge information about themselves is a simple and attractive one. But it is about as practical as requiring thieves to register with the sheriff. Obviously, no such organization as the Communist Party is likely to register voluntarily.

Under the provisions of the bill, if an organization which the Attorney General believes should register does not do so, he must request a five-man “Subversive Activities Control Board” to order the organization to register. The Attorney General would have to produce proof that the organization in question was in fact a “communist-action” or a “communist-front organization.” To do this he would have to offer evidence relating to every aspect of the organization’s activities. The organization could present opposing evidence. Pro-

longed hearings would be required to allow both sides to present proof and to cross-examine opposing witnesses.

To estimate the duration of such a proceeding involving the Communist Party, we need only recall that on much narrower issues the trial of the eleven communist leaders under the Smith Act consumed nine months. In a hearing under this bill, the difficulties of proof would be much greater and would take a much longer time.

The bill lists a number of criteria for the Board to consider in deciding whether or not an organization is a “communist-action” or “communist-front” organization. Many of these deal with the attitudes or states of mind of the organization’s leaders. It is frequently difficult in legal proceedings to establish whether or not a man has committed an overt act, such as theft or perjury. But under this bill, the Attorney General would have to attempt the immensely more difficult task of producing concrete legal evidence that men have particular ideas or opinions. This would inevitably require the disclosure of many of the FBI’s confidential sources of information and thus would damage our national security.

If, eventually, the Attorney General should overcome these difficulties and get a favorable decision from the Board, the Board’s decision could be appealed to the Courts. The Courts would review any questions of law involved, and whether the Board’s findings of fact were supported by the “preponderance” of the evidence.

All these proceedings would require great effort and much time. It is almost certain that from two to four years would elapse between the Attorney General’s decision to go before the Board with a case, and the final disposition of the matter by the Courts.

And when all this time and effort had been spent, it is still most likely that no organization would actually register.

The simple fact is that when the Courts at long last found that a particular organization was required to register, all the leaders of the organization would have to do to frustrate the law would be to dissolve the organization and establish a new one with a different name and a new roster of nominal officers. The Communist Party has done this again and again in countries throughout the world. And nothing could be done about it except to begin all over again the long dreary process of investigative, administrative, and judicial proceedings to require registration.

Thus the net result of the registration provisions of this bill would probably be an endless chasing of one organization after another, with the communists always able to frustrate the law enforcement agencies and prevent any final result from being achieved. It could only result in wasting the energies of the Department of Justice and in destroying the sources of information of its FBI. To impose these fruitless burdens upon the FBI would divert it from its vital security duties and thus give aid and comfort to the very communists whom the bill is supposed to control.

Unfortunately, these provisions are not merely ineffective and unworkable. They represent a clear and present danger to our institutions.

In so far as the bill would require registration by the Communist Party itself, it does not endanger our traditional liberties. However, the application of the registration requirements to so-called communist-front organizations can be the greatest danger to freedom of speech, press and assembly, since the Alien and Sedition Laws of 1798. This danger arises out of the criteria or standards to be applied in determining whether an organization is a communist-front organization.

There would be no serious problem if the bill required proof that an organization was

controlled and financed by the Communist Party before it could be classified as a communist-front organization. However, recognizing the difficulty of proving those matters, the bill would permit such a determination to be based solely upon "the extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those" of the communist movement.

This provision could easily be used to classify as a communist-front organization any organization which is advocating a single policy or objective which is also being urged by the Communist Party or by a communist foreign government. In fact, this may be the intended result, since the bill defines "organization" to include "a group of persons * * * permanently or temporarily associated together for joint action on any subject or subjects." Thus, an organization which advocates low-cost housing for sincere humanitarian reasons might be classified as a communist-front organization because the communists regularly exploit slum conditions as one of their fifth-column techniques.

It is not enough to say that this probably would not be done. The mere fact that it could be done shows clearly how the bill would open a Pandora's box of opportunities for official condemnation of organizations and individuals for perfectly honest opinions which happen to be stated also by communists.

The basic error of these sections is that they move in the direction of suppressing opinion and belief. This would be a very dangerous course to take, not because we have any sympathy for communist opinions, but because any governmental stifling of the free expression of opinion is a long step toward totalitarianism.

There is no more fundamental axiom of American freedom than the familiar statement: In a free country, we punish men for

the crimes they commit, but never for the opinions they have. And the reason this is so fundamental to freedom is not, as many suppose, that it protects the few unorthodox from suppression by the majority. To permit freedom of expression is primarily for the benefit of the majority, because it protects criticism, and criticism leads to progress.

We can and we will prevent espionage, sabotage, or other actions endangering our national security. But we would betray our finest traditions if we attempted, as this bill would attempt, to curb the simple expression of opinion. This we should never do, no matter how distasteful the opinion may be to the vast majority of our people. The course proposed by this bill would delight the communists, for it would make a mockery of the Bill of Rights and of our claims to stand for freedom in the world.

And what kind of effect would these provisions have on the normal expression of political views? Obviously, if this law were on the statute books, the part of prudence would be to avoid saying anything that might be construed by someone as not deviating sufficiently from the current communist propaganda line. And since no one could be sure in advance what views were safe to express, the inevitable tendency would be to express no views on controversial subjects.

The result could only be to reduce the vigor and strength of our political life—an outcome that the communists would happily welcome, but that free men should abhor.

We need not fear the expression of ideas—we do need to fear their suppression.

Our position in the vanguard of freedom rests largely on our demonstration that the free expression of opinion, coupled with government by popular consent, leads to national strength and human advancement. Let us not, in cowering and foolish fear, throw away the ideals which are the fundamental basis of our free society.

Not only are the registration provisions of this bill unworkable and dangerous, they are also grossly misleading in that all but one of the objectives which are claimed for them are already being accomplished by other and superior methods—and the one objective which is not now being accomplished would not in fact be accomplished under this bill either.

It is claimed that the bill would provide information about the communist party and its members. The fact is, the FBI already possesses very complete sources of information concerning the communist movement in this country. If the FBI must disclose its sources of information in public hearings to require registration under this bill, its present sources of information, and its ability to acquire new information, will be largely destroyed.

It is claimed that this bill would deny income tax exemptions to communist organizations. The fact is that the Bureau of Internal Revenue already denies income tax exemptions to such organizations.

It is claimed that this bill would deny passports to communists. The fact is that the Government can and does deny passports to communists under existing law.

It is claimed that this bill would prohibit the employment of communists by the Federal Government. The fact is that the employment of communists by the Federal Government is already prohibited and, at least in the Executive Branch, there is an effective program to see that they are not employed.

It is claimed that this bill would prohibit the employment of communists in defense plants. The fact is that it would be years before this bill would have any effect of this nature—if it ever would. Fortunately, this objective is already being substantially achieved under the present procedures of the Department of Defense, and if the Congress

would enact one of the provisions I have recommended—which it did not include in this bill—the situation would be entirely taken care of, promptly and effectively.

It is also claimed—and this is the one new objective of the registration provisions of this bill—that it would require communist organizations to label all their publications and radio and television broadcasts as emanating from a communist source. The fact is that this requirement, even if constitutional, could be easily and permanently evaded, simply by the continuous creation of new organizations to distribute communist information.

Section 4(a) of the bill, like its registration provisions, would be ineffective, would be subject to dangerous abuse, and would seek to accomplish an objective which is already better accomplished under existing law.

This provision would make unlawful any agreement “to perform any act which would substantially contribute to the establishment within the United States” of a foreign-controlled dictatorship. Of course, this provision would be unconstitutional if it infringed upon the fundamental right of the American people to establish for themselves by constitutional methods any form of government they choose. To avoid this, it is provided that this section “shall not apply to the proposal of a constitutional amendment.” If this language limits the prohibition of the section to the use of unlawful methods, then it adds nothing to the Smith Act, under which eleven communist leaders have been convicted, and would be more difficult to enforce. Thus, it would accomplish nothing. Moreover, the bill does not even purport to define the phrase, unique in a criminal statute, “substantially contribute.” A phrase so vague raises a serious constitutional question.

Sections 22 and 25 of this bill are directed

toward the specific questions of who should be admitted to our country, and who should be permitted to become a United States citizen. I believe there is general agreement that the answers to those questions should be: We should admit to our country, within the available quotas, anyone with a legitimate purpose who would not endanger our security, and we should admit to citizenship, any immigrant who will be a loyal and constructive member of the community. Those are essentially the standards set by existing law. Under present law, we do not admit to our country known communists, because we believe they work to overthrow our Government, and we do not admit communists to citizenship, because we believe they are not loyal to the United States.

The changes which would be made in the present law by sections 22 and 25 would not reinforce those sensible standards. Instead, they would add a number of new standards, which, for no good and sufficient reason, would interfere with our relations with other countries and seriously damage our national security.

Section 22 would, for example, exclude from our country anyone who advocates any form of totalitarian or one-party government. We of course believe in the democratic system of competing political parties, offering a choice of candidates and policies. But a number of countries with which we maintain friendly relations have a different form of government.

Until now, no one has suggested that we should abandon cultural and commercial relations with a country merely because it has a form of government different from ours. Yet section 22 would require that. As one instance, it is clear that under the definitions of the bill the present government of Spain, among others, would be classified as “totalitarian.” As a result, the Attorney General would be required to exclude

from the United States all Spanish businessmen, students, and other non-official travelers who support the present government of their country. I cannot understand how the sponsors of this bill can think that such an action would contribute to our national security.

Moreover, the provisions of section 22 of this bill would strike a serious blow to our national security by taking away from the Government the power to grant asylum in this country to foreign diplomats who repudiate communist imperialism and wish to escape its reprisals. It must be obvious to anyone that it is in our national interest to persuade people to renounce communism, and to encourage their defection from communist forces. Many of these people are extremely valuable to our intelligence operations. Yet under this bill the Government would lose the limited authority it now has to offer asylum in our country as the great incentive for such defection.

In addition, the provisions of section 22 would sharply limit the authority of the Government to admit foreign diplomatic representatives and their families on official business. Under existing law, we already have the authority to send out of the country any person who abuses diplomatic privileges by working against the interests of the United States. But under this bill a whole series of unnecessary restrictions would be placed on the admission of diplomatic personnel. This is not only ungenerous for a country which eagerly sought and proudly holds the honor of being the seat of the United Nations, it is also very unwise, because it makes our country appear to be fearful of "foreigners," when in fact we are working as hard as we know how to build mutual confidence and friendly relations among the nations of the world.

Section 22 is so contrary to our national interests that it would actually put the Gov-

ernment into the business of thought control by requiring the deportation of any alien who distributes or publishes, or who is affiliated with an organization which distributes or publishes, any written or printed matter advocating (or merely expressing belief in) the economic and governmental doctrines of any form of totalitarianism. This provision does not require an evil intent or purpose on the part of the alien, as does a similar provision in the Smith Act. Thus, the Attorney General would be required to deport any alien operating or connected with a well-stocked bookshop containing books on economics or politics written by supporters of the present government of Spain, of Yugoslavia, or any one of a number of other countries. Section 25 would make the same aliens ineligible for citizenship. There should be no room in our laws for such hysterical provisions. The next logical step would be to "burn the books."

This illustrates the fundamental error of these immigration and naturalization provisions. It is easy to see that they are hasty and ill-considered. But far more significant—and far more dangerous—is their apparent underlying purpose. Instead of trying to encourage the free movement of people, subject only to the real requirements of national security, these provisions attempt to bar movement to anyone who is, or once was, associated with ideas we dislike, and in the process, they would succeed in barring many people whom it would be to our advantage to admit.

Such an action would be a serious blow to our work for world peace. We uphold—or have upheld till now, at any rate—the concept of freedom on an international scale. That is the root concept of our efforts to bring unity among the free nations and peace in the world.

The communists, on the other hand, attempt to break down in every possible way

the free interchange of persons and ideas. It will be to their advantage, and not ours, if we establish for ourselves an "iron curtain" against those who can help us in the fight for freedom.

Another provision of the bill which would greatly weaken our national security is Section 25, which would make subversive aliens eligible for naturalization as soon as they withdraw from organizations required to register under this bill, whereas under existing law they must wait for a period of ten years after such withdrawal before becoming eligible for citizenship. This proposal is clearly contrary to the national interest, and clearly gives to the communists an advantage they do not have under existing law.

I have discussed the provisions of this bill at some length in order to explain why I am convinced that it would be harmful to our security and damaging to the individual rights of our people if it were enacted.

Earlier this month, we launched a great Crusade for Freedom designed, in the words of General Eisenhower, to fight the big lie with the big truth. I can think of no better way to make a mockery of that crusade and of the deep American belief in human freedom and dignity which underlie it than to put the provisions of H.R. 9490 on our statute books.

I do not undertake lightly the responsibility of differing with the majority in both Houses of Congress who have voted for this bill. We are all Americans; we all wish to safeguard and preserve our constitutional

liberties against internal and external enemies. But I cannot approve this legislation, which instead of accomplishing its avowed purpose would actually interfere with our liberties and help the communists against whom the bill was aimed.

This is a time when we must marshal all our resources and all the moral strength of our free system in self-defense against the threat of communist aggression. We will fail in this, and we will destroy all that we seek to preserve, if we sacrifice the liberties of our citizens in a misguided attempt to achieve national security.

There is no reason why we should fail. Our country has been through dangerous times before, without losing our liberties to external attack or internal hysteria. Each of us, in Government and out, has a share in guarding our liberties. Each of us must search his own conscience to find whether he is doing all that can be done to preserve and strengthen them.

No considerations of expediency can justify the enactment of such a bill as this, a bill which would so greatly weaken our liberties and give aid and comfort to those who would destroy us. I have, therefore, no alternative but to return this bill without my approval, and I earnestly request the Congress to reconsider its action.

HARRY S. TRUMAN

NOTE: On September 23 the Congress passed the bill over the President's veto. As enacted, H.R. 9490 is Public Law 831, 81st Congress (64 Stat. 987).

See also Item 207.

255 Recorded Address for Broadcast on Democratic Women's Day. *September 27, 1950*

TODAY is being celebrated as Women's Day by the Democratic Party. And I want to talk to you about something that is of great importance to women—not only those

who belong to the Democratic Party, but to all the women in the country.

This is an election year. On November 7, not quite 6 weeks from today, we will elect

a new Congress. We have to vote on all the Members of the House of Representatives and one-third of the Members of the Senate.

I wish I could impress upon the women of the country, and upon the men as well, just how essential it is to go to the polls and vote on election day. I remember that in 1946 only a little over one-third of the eligible voters cast their ballots in the congressional elections. In 1948 we did better, but even then only about half of those who were eligible voted.

This indicates that many people do not appreciate how important it is to have the right kind of government. I hear of many cases where men fail to vote because they would lose time from their jobs. I know that it is frequently difficult for women to get away from their homes to go to the polls.

But the future of your jobs and your homes depends on the kind of government you have. Having the right kind of people in public office is worth much more, in terms of your own future welfare, than any time or trouble involved in getting out to vote.

This is particularly true in this year of 1950.

Today the United States occupies a position of leadership among the free nations. We have a great responsibility to use our strength to bring about a just and lasting peace. During the next few years we will be passing through a very critical period.

The Congress you vote for on November 7 will have much to do with whether we are to achieve our goal of peace or be plunged into another war. In that Congress, there should be no room for men or women who

put partisan advantage above their country's welfare.

I am deeply aware of the concern that women feel over the danger of Communist aggression. I know the anxiety you feel for the future of your families. I know that you are eager to take your places in the defense effort, wherever you can—in industry, or in the armed services, or through volunteer activity in your home communities. I know you want to contribute in every way you can to meeting the crisis that confronts us. One of the greatest contributions you can make is to study the issues of this campaign, and to vote wisely in November.

Do all you can to make sure that the candidates you vote for on election day will help to win the peace. Do all you can to make sure that they will help to keep America strong and free. Do all you can to make sure that they will help our country cooperate with other free nations. Above all, be sure that the candidates you vote for are not the kind of people who will try to divide us over petty issues or weaken our international position for purely partisan reasons.

Women will bear a great share of the responsibility for the kind of Congress we elect. Indeed, since there are more women voters than there are men voters, yours is the greater share of the responsibility.

I hope you will look carefully and wisely at the issues and the candidates before you, and will cast your ballots to strengthen this country in its struggle to achieve peace and freedom.

NOTE: The address was prerecorded for release at 3:25 p.m.

256 Memorandum of Disapproval of Bill Relating to a Claim
of the Board of County Commissioners of Sedgwick
County, Kansas. *September 28, 1950*

I AM withholding approval of H.R. 7854 "To confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kansas."

The bill confers jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Board of County Commissioners of Sedgwick County, Kansas, against the Government of the United States on account of delinquent real-estate taxes for the tax years 1944, 1945, 1946 and 1947 (together with penalties, interest, and charges) assessed and levied against three tracts of land in Sedgwick County, constituting the aircraft factory and grounds owned in such years by the Defense Plant Corporation and the Reconstruction Finance Corporation and which were leased to the Boeing Airplane Company, and transferred on or about February 25, 1948 to the United States. The measure also provides that the court shall determine the amount of taxes, penalties, interest, and charges, and render judgment in favor of the Board of County Commissioners against the United States for the amount of any of such items which the court may find and adjudge to have been lawfully assessed against the real estate and remaining due and unpaid.

The record shows that title to certain lands and buildings in Sedgwick County, Kansas, was vested during those years in the Reconstruction Finance Corporation. The Corporation leased these lands to the Boeing Airplane Company for the manufacture of aircraft under the contract with the Air Force. Under the provisions of the lease

agreement, Boeing was responsible for any taxes validly assessed and the United States was in turn required to reimburse Boeing under a cost-plus-fixed-fee contract. The County taxing authorities levied taxes upon the real estate in question for each of the years 1944, 1945, 1946, and 1947, which taxes have not been paid. On February 25, 1948, the Reconstruction Finance Corporation conveyed the property to the United States. Thereafter, the County Commissioners instituted an action in the District Court of Sedgwick County to foreclose a lien for taxes on the property. The action was dismissed by the court on the ground that it was a suit against the United States and the United States had not consented to be sued.

I find objectionable those provisions in the bill which authorize the court to render judgment in favor of the County and against the United States for the amount of any penalties, interest, and charges, in connection with the taxes levied by the Board of County Commissioners. To impose a liability upon the Federal Government for such penalties, interest, and charges is inconsistent with the sound and long established doctrines that claims against the United States do not bear interest and that the Federal Government is not liable for penalties. The enactment of legislation in derogation of these firmly established principles would, in my opinion, create a most undesirable precedent. Moreover, such provisions would discriminate against all other claimants. While I would not object to a measure which would merely permit Sedgwick County to secure a judicial determination in the Court of Claims of the question

as to whether the tax assessed against the property involved was lawful, without creating any new cause of action, I cannot

approve a measure which would permit recovery of penalties and interest against the United States.

HARRY S. TRUMAN

257 Memorandum of Disapproval of Bill To Amend the Merchant Ship Sales Act of 1946. *September 28, 1950*

I HAVE withheld my approval from H.R. 3419, "To amend the Merchant Ship Sales Act of 1946".

This bill provides that in certain cases the cost basis of a war-built vessel purchased prior to the enactment of the Merchant Ship Sales Act shall be the undepreciated original purchase price reduced by the net amount of the adjustment provided in section 9(b) of the Act.

The purpose of the Merchant Ship Sales Act was to establish a uniform pricing policy for the sale of Government vessels. The prices computed by the formula provided in the Act are considerably below the actual construction cost of the vessels and also below the prices of identical vessels sold prior to the date of enactment.

In order to accord prior purchasers a parity of treatment with those buying vessels subsequent to passage of the Act, section 9(b) prescribes certain procedures by which a prior purchaser voluntarily may obtain adjustments in his original price. The buyer is treated as if he purchased his vessel at the date of enactment of the Merchant Ship Sales Act, and certain previous negotiations between the buyer and the Government are taken into account in determining the net adjustment downward. Thus, among other items, the buyer is required to credit to the Government the amount of charter-hire paid by it to him for the use of his vessel during this period. The Government, in turn, credits the buyer with the taxes paid on this charter-hire and with interest on certain amounts of his investment in the vessel.

The net effect of these adjustments has usually been in favor of the Government so that the adjusted obligation of the prior purchaser has been somewhere between the price which he originally paid for the vessel and the statutory sales price.

The enactment of this bill arises primarily from the fact that the Treasury Department has ruled that for tax purposes the cost basis of a prior purchased vessel is the statutory sales price. In so ruling, the Treasury Department has held that the adjustments which raised the purchaser's obligation above the statutory sales price are in the nature of bookkeeping corrections, designed to cancel out completely the financial transactions between the Government and the shipowners who bought war-built vessels prior to the passage of the Merchant Ship Sales Act. These shipowners, on the other hand, contend that the section 9(b) language is not intended to undo the previous operations and that it merely prescribes a formula for arriving at a price which should reflect the net cost for tax purposes as well as for other purposes. On the basis of this interpretation, the shipowners argue that they ultimately will be required to pay to the Government an amount greater than the statutory sales price and that consequently the cost basis of the vessels, upon which depreciation allowances are claimed, should include this additional amount.

The fundamental question presented by this bill is which of the two interpretations of the section 9(b) provisions results in the more equitable treatment to all parties con-

cerned. This measure would resolve the issue in favor of the shipowners' contention.

It is my belief, however, that, as a matter of principle and if no adjustment contracts had already been executed, interpretation of section 9(b) to require an undoing of all transactions prior to the enactment of the Merchant Ship Sales Act would afford more equitable treatment to both prior and subsequent purchasers and to the Government. Only this interpretation can negate the benefit to prior purchasers of profits on charter-hire rates which were based upon a valuation of the vessels considerably in excess of the statutory sales price set in 1946. Furthermore, other provisions of the Merchant Ship Sales Act already provide that for certain purposes the cost basis of the vessels owned by prior purchasers shall be the statutory sales price. The consistent pattern of treatment provided in the Act would be destroyed by granting in this one subsection the concession on cost basis entailed in this measure. Finally, the benefits accruing to prior purchasers, if they are allowed to capitalize these amounts above the statutory sales price, would afford them the special operating advantages which arise from the

higher depreciation allowances possible under this measure.

I am concerned, however, lest some shipowners who have already accepted price adjustments did so on the assumption that the cost basis of their vessels for tax purposes would be the original price reduced by the net amount of the adjustments under section 9(b), operating only as a pricing formula. I am advised that, as a consequence, these owners may not be able to choose the course of action which would prove the more beneficial to them taxwise—an election which will still be available to purchasers who have filed for price adjustments but have not yet accepted them. I believe, therefore, that the owners who have taken the adjustments and now find that their contracts are disadvantageous should request the Secretary of Commerce to examine the possibility of relieving them from these commitments. If it is determined that no authority exists to take such action, I believe the Congress should be requested to enact legislation which would permit these owners to be released from price adjustment commitments already made.

HARRY S. TRUMAN

258 The President's News Conference of *September 28, 1950*

THE PRESIDENT. Please be seated.

[1.] I have one announcement to make. I am appointing George J. Bott of Maryland General Counsel of the National Labor Relations Board.

Q. What's his last name?

THE PRESIDENT. B-o-t-t. Mr. Bott has been serving as Associate General Counsel on that Board since 1948. He has been with the organization since 1947. It's a promotion for him.

That's all the announcements I have to make.

[2.] Q. Can you tell us what you think of Jonathan Daniels's book? ¹

THE PRESIDENT. The book speaks for itself. I have no comment to make on it.

Q. Mr. President, could you answer that one question—Mr. Daniels says he is quoting you—

¹ "The Man of Independence," J. B. Lippincott Co., Philadelphia, 1950.

THE PRESIDENT. I have no comment to make on it, Bert,² and I don't intend to be drawn into any discussion of it.

Q. Mr. President, may I try once more?

THE PRESIDENT. Yes. [*Laughter*] You are at liberty—you are at liberty.

Q. Do you consider it authoritative?

THE PRESIDENT. No comment. [*Laughter*]

Q. Mr. President, without commenting on the book, could you say whether you had the manuscript before the book—

THE PRESIDENT. No comment. [*More laughter*] You see, I was ahead of you on that one. I knew what you were going to do.

[3.] Q. Mr. President, could you comment on the very much improved situation in Korea?³

THE PRESIDENT. I am very happy about it, and I hope that situation will wind up with a peace that will be satisfactory to everybody.

Q. Mr. President, General Bradley said yesterday that the worst thing that could happen to us would be to let down our guard, now that the news is good from Korea.

THE PRESIDENT. Mr. Bradley is exactly correct. He is remembering the results after the First World War and the results after the Second World War, as I am. We can't let our guard down, and shouldn't.

Q. Mr. President, do you have any official information on the reported peace feelers by the North Koreans?

THE PRESIDENT. No, I have not. I have no information at all.

Q. No information at all.

THE PRESIDENT. No. No.

Q. Mr. President, has this Government given General MacArthur specific authority

to cross the 38th parallel?

THE PRESIDENT. That is a matter I can't answer publicly now.

Q. I see.

THE PRESIDENT. I will give you the answer at the proper time. We haven't reached the 38th parallel yet.

Q. I wonder if I could ask you this question? Do you consider that he has implied authority to cross—

THE PRESIDENT. General MacArthur is under direct orders of the President and the Chief of Staff, and he will follow those orders.

Q. Do those orders imply, sir, the crossing of the 38th parallel?

THE PRESIDENT. I can't answer the question.

What was it the gentleman back there had?

[4.] Q. In view of the improved turn of events in Korea, is there any prospect that you will play an active role in the coming campaign?

THE PRESIDENT. I can't answer that question at present. The matter is not settled, by any means, and we have a tremendous job ahead of us, in addition to that, in our preparations for defense.

[5.] Q. Mr. President, Senator Ives said that the cost of living has gone up so much that price controls should be brought into effect. Have you any comment on that?

THE PRESIDENT. That matter is under study. The matter is under study.

Q. The matter of—

THE PRESIDENT. Price controls.

Q. What about wage control, Mr. President?

THE PRESIDENT. Same thing. Same answer.

[6.] Q. Mr. President, you said a week or so ago that the matter of crossing the 38th parallel was a United Nations decision?

² Bert Andrews of the New York Herald Tribune.

³ During the week, Seoul, the capital of the Republic of Korea, had been recaptured from the Communist North Korean forces.

THE PRESIDENT. That is correct.

Q. And you said today that General MacArthur is under your direct orders?

THE PRESIDENT. That is correct, but the United Nations will have to act on it first. I appointed General MacArthur as the Supreme Commander, at the request of the United Nations. They have certainly requested—will make a request of me, if they wanted further orders issued to General MacArthur.

Q. Mr. President, there was an interpretation at the State Department today that the original United Nations resolution gave General MacArthur the right to go over the 38th parallel if he deemed it necessary. Do you—

THE PRESIDENT. The original United Nations resolution was very broad.

[7.] Q. Mr. President, are you considering an important military appointment for General Eisenhower—in Europe?

THE PRESIDENT. General Eisenhower is always at my request and call whenever I want him. I have not considered anybody for anything as yet because there is nothing to consider him for.^{3a}

[8.] Q. In connection with the Korean situation, sir, American authorities in the United Nations have given out a six-point program for a settlement of the Korean situation. Have you seen it and would you care to comment on it?

THE PRESIDENT. You mean the broadcast asking them to surrender?

Q. No sir. What I was thinking of was a plan for the settlement of the Korean situation based on our point of view.

THE PRESIDENT. It hasn't been taken up with me. The broadcast of General MacArthur—I think made today—was taken up with me, inviting them to surrender. I think he is making that broadcast today.

^{3a} See Items 308 and 310.

You will have to consider that off the record, however, until General MacArthur makes the broadcast.⁴

Q. Yes.

Q. Mr. President, is that a demand for unconditional surrender?

THE PRESIDENT. Well, you will have to wait for General MacArthur's broadcast, and then I will comment on that and answer your question.

Q. Mr. President, do you anticipate any letup at all in this country's defense preparations following the end of the Korean situation?

THE PRESIDENT. There will be a sincere effort to block the whole thing, as there always is, but I hope that it will not be successful.

Q. I assume there will be no letup on the

⁴ General MacArthur's broadcast was made on October 1. Recordings of a Korean translation were broadcast repeatedly both from Tokyo and from Seoul, and Allied planes dropped copies in leaflet form over North Korea. The General's message was as follows:

"To the Commander in Chief, North Korean Forces:

"The early and total defeat and complete destruction of your armed forces and war making potential is now inevitable.

"In order that the decisions of the United Nations may be carried out with a minimum of further loss of life and destruction of property, I, as the United Nations Commander in Chief, call upon you and the forces under your command, in whatever part of Korea situated, forthwith to lay down your arms and cease hostilities under such military supervisions as I may direct, and I call upon you at once to liberate all United Nations prisoners of war and civilian internees under your control and to make adequate provision for their protection, care, maintenance, and immediate transportation to such places as I indicate.

"North Korean forces, including prisoners of war in the hands of the United Nations command, will continue to be given the care dictated by civilized custom and practice and permitted to return to their homes as soon as practicable. I shall anticipate your early decision upon this opportunity to avoid the further useless shedding of blood and destruction of property.

"DOUGLAS MACARTHUR"

part of the administration in its defense preparations?

THE PRESIDENT. Not a bit. But it takes money to do those things, and the money has to be appropriated by the Congress.

[9.] Q. Will Bill Boyle be replaced as chairman of the Democratic National Committee?

THE PRESIDENT. Bill Boyle will be back on the job in a week or two, just as good as ever.⁵

[10.] Q. Mr. President, in the light of your statement just a second ago, and in regard to defense matters and recent appointments of Republicans, can we consider that merely coincidental, or is it a setting in of a tide of bipartisan appointments?

THE PRESIDENT. The bipartisan foreign policy has always been on that basis, and there has been no change in it whatever. I have always appointed just as many Republicans in the United Nations setup as I have Democrats. In fact, I think a few more.

[11.] Q. Mr. President, have you decided what will be done with Judge Carroll Switzer in Iowa?

THE PRESIDENT. No. I haven't given that any thought.

Q. Or Judge Andrews of Georgia?⁶

THE PRESIDENT. I haven't given it any thought.

Q. You haven't given it any thought.

THE PRESIDENT. I haven't had time. I have been reading reports on bills stacked up about that high [*indicating*] most every night, and it takes me until midnight to get through when I read the reports.

[12.] Q. Mr. President, have you had any kind of public reaction to your veto message of the McCarran bill?⁷

THE PRESIDENT. It has been very good. I

think they believed what I said was a fact.

Q. In the form of letters, sir? Would you tell us something about it?

THE PRESIDENT. No, I can't. No use commenting on it because you always get the usual number of letters and telegrams every time a White House document is put out, and we have had a flock of letters and telegrams on that, and they have all been favorable, most of them.

Q. Mr. President, are there any parts of that law which you feel you should not carry out, either for constitutional or security reasons?

THE PRESIDENT. I shall enforce the law as it is on the books. That is what I am sworn to do.

Q. Mr. President, in that regard, you said that to publish the list of defense plants would endanger the security—

THE PRESIDENT. It certainly would endanger security, and as Commander in Chief of the United States Armed Forces, and for security reasons, I will not be in any hurry about publishing that list. I hope to be able to take it up with the Congress and have it repealed.

[13.] Q. Mr. President, do your proposals for Korea include a democratic election under the United Nations—

THE PRESIDENT. I have made no proposals on Korea, so I can't answer your question.

Q. Mr. President, as I understood you, you said in effect that General MacArthur's broadcast is off the record?

THE PRESIDENT. Yes, that is correct—until he makes it.

Q. Could you tell us when you expect him to make it?

THE PRESIDENT. I think some time today, isn't it, Charlie?⁸

Mr. Ross: I think it is today.

THE PRESIDENT. I think it is today. I think he is going to make it today, and then you

⁸ Charles G. Ross, Secretary to the President.

⁵ William M. Boyle, Jr., underwent an appendectomy on September 23.

⁶ See Item 209 [17].

⁷ See Item 254.

can get the release of it from the State Department.

[14.] Q. Mr. President, where do you expect the sincere efforts to block the defense effort to come from?

THE PRESIDENT. Where it usually comes from. Haven't you been here when the Congress has been in session? How long have you been in this town? [Laughter] We had terrific opposition in the very last session on it.

[15.] Q. Mr. President, in relation to what you just said about enforcing the law, do you draw a distinction between enforcing the law and spending money that Congress has given you to spend?

THE PRESIDENT. Well, what do you mean by that, Miss May? *

Q. I was thinking particularly of the air groups last year. You didn't spend all the money they gave you.

THE PRESIDENT. It wasn't necessary. It was not necessary.

Q. But you do draw a distinction between spending an appropriation—

THE PRESIDENT. I certainly do. That is the discretionary power of the President. If he

* Mrs. May Craig of the Portland (Maine) Press Herald.

doesn't feel like the money should be spent, I don't think he can be forced to spend it. How would you go about making him spend it, Miss May? [Laughter]

Q. Oh, I believe in Congress being paramount.

THE PRESIDENT. Of course you do. I don't. [More laughter] I think they are equal—I think they are equal. The Congress's job is to make the laws, and the President's job is to carry them out and enforce them, and he does just that.

Q. But not spend the money?

THE PRESIDENT. That's right—that's right. I thought you were an economist. You come from Maine. [Laughter] Do you belong to the economy bloc?

Q. Well, that's not my money.

THE PRESIDENT. It is your money. Don't you pay taxes, May?

Q. Yes—oh, a lot.

THE PRESIDENT. All right. Then it is your money. [More laughter]

Q. May we interrupt?

THE PRESIDENT. Sure.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and forty-first news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, September 28, 1950.

259 Memorandum on the Need for Protecting Free Enterprise During the Defense Emergency. September 29, 1950

Memorandum to:

Chairman, National Security Resources
Board

Secretary of Commerce

Secretary of the Interior

Secretary of Agriculture

Secretary of Defense

Secretary of the Army

Secretary of the Navy

Secretary of the Air Force

Secretary of Labor

Chairman, Board of Governors of the
Federal Reserve System

Chairman, Board of Directors, Recon-
struction Finance Corporation

Administrator, Housing and Home Fi-
nance Agency

Chairman, Interstate Commerce Commis-
sion

Administrator, General Services Admin-
istration

As I pointed out in my State of the Union

Message in January, 1947, during the last war the long-standing tendency toward economic concentration was accelerated. Partial mobilization, in the absence of protective measures, may again expose our economy to this threat and thereby imperil the very system we are seeking to protect. In numerous provisions of the Defense Production Act of 1950, the Congress indicated its concern over this danger to free competitive enterprise.

In order that this danger may be minimized, it is requested that, in performing those functions delegated to or vested in you by Executive Order 10161, you consult with the Attorney General and the Chairman of the Federal Trade Commission for the purpose of determining and, to the extent consistent with the principal objectives of the Act and without impairing the defense effort, of eliminating any factors which may

tend to suppress competition unduly, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power.

I am requesting the Attorney General and the Chairman of the Federal Trade Commission to consult with you as the occasion requires and to report to me from time to time concerning the progress that is being made in carrying out this policy.

HARRY S. TRUMAN

NOTE: For the President's State of the Union Message delivered to the Congress on January 6, 1947, see the 1947 volume, this series, Item 2.

The Defense Production Act of 1950 was signed by the President on September 8, 1950 (64 Stat. 798).

Executive Order 10161 "Delegating Certain Functions of the President Under the Defense Production Act of 1950" was signed by the President on September 9, 1950 (3 CFR, 1949-1953 Comp., p. 339).

260 Message Congratulating General MacArthur on the Liberation of Seoul. *September 29, 1950*

I KNOW that I speak for the entire American people when I send you my warmest congratulations on the victory which has been achieved under your leadership in Korea. Few operations in military history can match either the delaying action where you traded space for time in which to build up your forces, or the brilliant maneuver which has now resulted in the liberation of Seoul. I am particularly impressed by the splendid cooperation of our Army, Navy and Air Force, and I wish you would extend my thanks and congratulations to the commanders of those services—Lieutenant General Walton H. Walker, Vice Admiral Charles T. Joy and Lieutenant General George E. Stratemeyer. The unification of our arms established by you and by them has set a shining example. My thanks and the

thanks of the people of all the free nations go out to your gallant forces—soldiers, sailors, marines and air men—from the United States and the other countries fighting for freedom under the United Nations banner. I salute you all, and say to all of you from all of us at home, "Well and nobly done."

HARRY S. TRUMAN

[General Douglas MacArthur, Tokyo, Japan]

NOTE: On September 30 the White House released the following reply from General MacArthur, dated September 30:

President Harry S. Truman:

I am most grateful for your generous message which I shall transmit to the elements of this command. It will be a source of inspiration and strength to all concerned.

DOUGLAS MACARTHUR

On October 6 the White House released the following message from the Honorable Syngman Rhee,

President of the Republic of Korea, dated September 30:

President Harry S. Truman:

Please accept for yourself personally and, through you, for all the American people and United States

Forces fighting in and near Korea, the deep gratitude of the Korean people for United States decisions and actions which now have led to the liberation of Seoul. The Korean people will always cherish the memory of your bold leadership in defense of liberty.

SYNGMAN RHEE

261 Letter to the Vice President on the Need for Repatriating Displaced Greek Children. *September 29, 1950*

Dear Mr. Vice President:

I know that all Americans share the Senate's humanitarian concern for the thousands of Greek children removed from Greece during the guerrilla warfare and now being held in eastern Europe. Freedom-loving people throughout the world are repelled by the inhumanity embodied in the unjustified retention of these innocent children far from their parents and their native land.

The Executive Branch has exerted and will continue to exert every feasible effort to en-

courage the repatriation of these children. I am certain that the United Nations has been encouraged in its efforts to effect the children's return by the Senate's deep and sympathetic concern as expressed in S. Res. 212 on September 13, 1950.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Alben W. Barkley, Vice President of the United States, Washington, D.C.]

NOTE: S. Res. 212 is printed in the Congressional Record (vol. 96, p. 14667).

262 Radio Remarks Opening the Community Chest Campaign. *September 29, 1950*

[Broadcast from the White House at 10 p.m.]

My fellow citizens:

Tonight we in the United States, and our friends in Canada, are starting the annual Community Chest campaigns.

The Community Chest is an example of one of the oldest and best traditions of our country—the tradition of citizens voluntarily banding together to help their neighbors.

The Community Chest gives each of us an opportunity to help his neighbor.

By giving to the Community Chest, we help the sick. The chest provides funds for many hospitals and home nursing services, and other health organizations.

By giving to the Community Chest, we help young people. The chest provides funds for the Boy Scouts and the Girl Scouts,

funds for summer camps and neighborhood recreation houses, and for many other young peoples organizations.

By giving to the Community Chest we help people with physical and mental handicaps; we help young mothers who must work for a living; we help older people who need assistance.

Our gifts to the Community Chest help all these people and many others—for the chest includes most of the private organizations, in our towns and cities, that provide health and welfare services.

By giving to the Community Chest we fulfill the Biblical injunction to love thy neighbor, and that means help thy neighbor. But we do more than that. When we help

our neighbors—young and old alike—we make them better able to be self-reliant fellow citizens. And that is good for all of us. It knits the community more closely together, and strengthens our democratic way of life.

This year the Community Chest needs your support more than ever, because the chest must meet emergency needs of the men and women in our Army, Navy, and Air Force.

During the next year we shall double the size of our Armed Forces. We shall need many new Community Chest activities to provide recreational facilities for tens of thousands of young men and women away from home for the first time. Every veteran remembers the fine work of the USO in this country and overseas, and knows how important this service is to young people far from their homes and families.

And every man who goes into the service

of his country will be glad to have the assurance that the Red Feather agencies will be standing by, ready to help his family if illness or accidents strike while he is away from home.

We must not hesitate when our Community Chest calls upon us this year for additional funds to help meet these needs. In a very real sense, our contributions will be for the national defense.

Through your Red Feather campaign, I earnestly urge you to accept your responsibility to your fellow citizens—the young ones growing up and needing intelligent guidance, those struggling with problems they cannot meet alone, the lonely and the aged, the sick and the handicapped. Add to them the young men and women in our Armed Forces, and you know how important it is to give—and give enough for all the services united under the banner of the Red Feather.

263 Remarks Upon Awarding the Congressional Medal of Honor to Maj. Gen. William F. Dean. *September 30, 1950*

THE CITATION on which I have awarded the Congressional Medal of Honor to Maj. Gen. William F. Dean is an inadequate description of the gallant acts of that distinguished officer. These acts, so inspiring to those of us here on the home front, were of almost incalculable value on the battlefield. They substantially contributed to the surge of heroism and devotion which swept through the ranks of the embattled Infantrymen of those early days in Korea and enabled them to make their magnificent stand against the overwhelming forces opposing them.

Once again in our history, despite all the wonders of modern science and the massive weight of the world's industrial production, victory has been gained because the man

standing on the ground, sleeping in the mud and fighting face to face with a ruthless and determined foe would not give up.

In the beginning many of these soldiers fighting on the ground were little more than boys bewildered by the whirlwind of events into which necessity hurled them. But these boys became men, stood their ground and fought in a tradition of stubborn determination for which every American can feel a deep and abiding pride. Disputing every hill and rice paddy, they made it possible for us to muster and transport the strength which has defeated the forces of aggression.

Many of them lie buried in Korea. Many more have been wounded and many whose fate is still not known, are missing in action. The free peoples of the world, and those en-

slaved peoples who dream of freedom, give honor to these men. To those who sacrificed their lives, they erect in their hearts a monument which time cannot efface—an enduring faith in the deeds of men who are making possible a free and peaceful world.

As President of the United States, I am privileged to voice this tribute of my profound respect and admiration for valor above and beyond the call of duty which characterized the spirit of our soldiers in those bitter early weeks of the Korean conflict. I am confident that my words reflect the feeling in the hearts of all Americans.

NOTE: The President presented the award to Mrs. William F. Dean in a ceremony at the White House. General Dean's son and daughter, Cadet William F. Dean and Mrs. Robert C. Williams, attended the ceremony.

The citation follows:

"The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of The Congress the Medal of Honor to

MAJOR GENERAL WILLIAM F. DEAN, USA

for conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty in action with the enemy:

"General Dean, Commanding General, 24th Infantry Division, distinguished himself by conspicuous

gallantry and intrepidity at the repeated risk of his life, above and beyond the call of duty in Taejon, Korea, on 20 and 21 July 1950. In command of a unit suddenly relieved from occupation duties in Japan and as yet untried in combat; faced with a ruthless and determined enemy, highly trained and overwhelmingly superior in numbers; he felt it his duty to take action which to a man of his military experience and knowledge was clearly apt to result in his death. He personally and alone attacked an enemy tank while armed only with a hand grenade. He also directed the fire of his own tanks from an exposed position with neither cover nor concealment while, under observed artillery and small arms fire. When the town of Taejon was finally overrun he refused to insure his own safety by leaving with the leading elements but remained behind organizing his retreating forces, directing stragglers, and was last seen assisting the wounded to a place of safety. These actions indicate that General Dean felt it necessary to sustain the courage and resolution of his troops by examples of excessive gallantry committed always at the threatened portions of his front lines. The magnificent response of his unit to this willing and cheerful sacrifice, made with full knowledge of its certain cost, is history. The success of this phase of the campaign is in large measure due to General Dean's heroic leadership, courageous and loyal devotion to his men, and his complete disregard for personal safety.

"HARRY S. TRUMAN"

On September 4, 1953, General Dean was repatriated at Panmunjom, Korea. He was the highest ranking United Nations prisoner of war taken by the Communist forces during the Korean military action.

264 Statement by the President on His Forthcoming Meeting With General MacArthur. *October 10, 1950*

GENERAL MACARTHUR and I are making a quick trip over the coming weekend to meet in the Pacific.

When I see him I shall express to him the appreciation and gratitude of the people and Government of the United States for the great service which he is rendering to world peace. As Commander in Chief of United Nations forces in Korea, he has been acting for the world organization as well as for us. His mission has been to repel aggression and to restore international peace and security in the area, as called for by the United Nations.

He is carrying out his mission with the imagination, courage, and effectiveness which have marked his entire service as one of our greatest military leaders.

I shall discuss with him the final phase of United Nations action in Korea. In this phase, the United Nations command will be working closely with the United Nations Commission which has just been created by the General Assembly and given heavy responsibilities for the establishment of a unified, independent, and democratic Korea.

We must proceed rapidly with our part in

the organization of the United Nations relief and reconstruction program in order to give the Korean people a chance to live in peace. Secretary Acheson in his opening address to the General Assembly stressed the importance of this great opportunity to demonstrate the capacity of the world organization to reestablish the economic and social life of Korea, which has suffered cruelly as a result of aggression. The successful accomplishment of this peaceful mission of reconstruction can serve as a pattern for other efforts to improve the lot of people all over the world. The task of reconstruction in Korea will be a heavy one and will require a major effort by the United Nations; the United States will carry on its full share of this load.

The only interest of the United States is to

help carry out these great purposes of the United Nations in Korea. We have absolutely no interest in obtaining any special position for the United States in Korea, nor do we wish to retain bases or other military installations in that country. We should like to get our armed forces out and back to their other duties at the earliest moment consistent with the fulfillment of our obligations as a member of the United Nations.

Naturally, I shall take advantage of this opportunity to discuss with General MacArthur other matters within his responsibility.

NOTE: The President met with General of the Army Douglas MacArthur at Wake Island on Sunday, October 15, 1950.

See also Item 268.

265 Letter Concerning the Establishment of an Interagency Committee To Study the Resources and Development of New England and New York. *October 11, 1950*

[Released October 11, 1950. Dated October 9, 1950]

My dear Mr. ————:

You will recall that in connection with my approval of H.R. 5472, the Rivers and Harbors and Flood Control Acts of 1950 (P.L. 516, 81st Cong.), I sent a message to the Congress indicating what I considered to be serious deficiencies in the legislation. Along with other observations, I pointed out the failure of the measure to provide for a comprehensive study of multiple-purpose resource development for the New England-New York area with appropriate participation by the Federal agencies and the States concerned. The Congress has been considering legislation to meet this deficiency, but final action has not been taken on a bill establishing a commission to conduct the desired study.

I am sure you will agree with me that

experience in natural resources development emphasizes the fact that plans for the most effective utilization of water resources must take into account all the multiple-purposes and benefits and also the interrelationships between water and land resources. Moreover, studies of the potential development of these related resources should be based on proper geographical or regional areas. It was for these reasons among others that, on February 9, 1950, in a communication to the Vice-President, I endorsed the legislation, recently considered in hearings before a Subcommittee of the Senate Committee on Public Works, providing for the establishment of a New England-New York Resources Survey Commission and authorizing a full-scale investigation of multiple-purpose resource development with participation by the

Federal agencies and the States concerned.

In order to realize to the greatest extent possible under existing authority the benefits which would stem from this legislation and to provide essential coordination of the activities of the various Federal agencies in studying the resources potential of this area, I am requesting that the various Federal agencies concerned, including your Department, organize a temporary interagency committee for the purpose of initiating a comprehensive survey of the resources of this region, and preparing recommendations for the development, utilization and conservation of those resources. In view of the general provisions of section 205 of Public Law 516, I am designating the Department of the Army as the Chairman agency. The survey to be conducted by this interagency committee should include the six New England States and New York State. Of course, the committee can exclude from the survey any parts of this area whose resources are not well suited for consideration in a general survey of this kind. The committee should take into consideration the resources of the areas in this region which are of mutual interest to the United States and Canada, such as the Passamaquoddy Bay, with due regard to pertinent international agreements between the two countries. You will recognize, of course, the responsibility of the Department of State in these matters. That Department, therefore, should be consulted on issues affecting these areas.

In serving on this committee, each agency should make its contribution under existing laws and in accordance with its responsibilities under such laws. And it is most important that the efforts of the various agencies be integrated from the very beginning of the investigation if the benefits of all coordination possible under existing law and procedures are to be obtained. The final product of the interagency survey

should be a single comprehensive report setting forth the coordinated findings of all the participating agencies.

Each agency and the committee as a whole should coordinate its plans and activities with those of interested State and local agencies. The State and local agencies have a direct and vital interest in the conduct of this investigation and the report that will result. Many of the existing activities of State and local agencies in the resources field should fit into the projected investigation. I am sure that State and local agencies will be anxious to cooperate. In order that they be afforded every opportunity and encouragement to participate in the work of the committee, I am asking the Governors of the seven States concerned to designate official representatives to act as liaison between the committee and the various State agencies concerned with resource development. In addition, I want the committee to invite the ideas and help of local governments and private groups and individuals to the extent possible. It is essential that the Federal agencies draw upon the experience and ideas of the people of the region to the fullest extent and that the final report carry the concurrence or comments of each affected State.

The comprehensive study of land and water resources of this area should include, among other matters, coverage of electric power generation and transmission, forest management, fish and wildlife conservation, flood control, mineral development, municipal and industrial water supply, navigation, pollution control, recreation, and soil conservation. The necessary first step in such a study is an inventory of the land, water, and all of the related natural resources available for utilization, together with a survey of the projected regional and national requirements which might be met through more effective utilization of the natural resources of the region. When these basic

facts on resources and needs have been collected and analyzed, the committee should then proceed to determine what development and conservation projects are feasible and desirable, and to prepare recommendations for specific action to carry them out.

It is my desire that this survey be undertaken as soon as practicable and that the joint report be submitted for my consideration not later than July 1, 1952. In taking part in this investigation, each agency should utilize, to the fullest extent possible, funds available for the fiscal year 1951. It will also be necessary for each agency to furnish immediately to the Bureau of the Budget its budget estimates for fiscal year 1952 for participation in the comprehensive survey. As its first order of business the committee, through joint planning of all the member agencies, should prepare a detailed program spelling out the method by which the comprehensive survey will be undertaken, together with a consolidated statement giving more precise estimates of the fiscal requirements of each agency. These program plans should be submitted to the Bureau of the Budget early next spring so as to permit such budgetary modifications as may appear appropriate at that time.

You will recall that in my letter of July 21, I requested several agencies to conduct a detailed review of their programs for the purpose of modifying them wherever practicable to lessen the demand upon services and commodities which, in view of the present international situation, are needed for national defense. The strengthening of our defense program may delay full implementation of the findings of the proposed survey. Nevertheless, I feel that this initial investigation should go forward immediately since, in providing the blueprints for the most effective development of the resources of this important area of our country, the survey should encompass projects which can

make significant contributions to our national defense effort.

There are, of course, certain projects in the general area to be covered by this survey which are plainly good investments for the future of the region and the nation and should be started as soon as possible. Among these are the further development of the Niagara Falls power potential and the construction of the St. Lawrence seaway and power project. The importance of these projects to the national defense makes it more necessary than ever that their construction be undertaken immediately. The interrelationship of these projects and their relation to other resource development work in the Northeast should be considered by the inter-agency committee, but this survey should not delay the building of these projects.

Finally, as I have pointed out from time to time, the economic growth and stability of an area depends largely upon how its natural resources are developed. Last spring the Council of Economic Advisers appointed a Committee of Experts on the New England Economy to prepare an analysis of New England economic opportunities and problems, which is now nearing completion. It is highly desirable that the findings of this Committee be taken into account in developing the report of the interagency committee.

Identical letters are being sent to the Departments of the Interior, the Army, Agriculture and Commerce, and to the Federal Security Agency and the Federal Power Commission, the agencies which will participate as members of the committee. I am also forwarding a copy of this letter to the Department of State.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to Secretary of the Interior Oscar L. Chapman, Secretary of the Army Frank Pace, Jr., Secretary of Agriculture Charles F. Brannan, Secretary of Commerce Charles Sawyer, Administrator of the Federal

Security Agency Oscar R. Ewing, and Chairman of the Federal Power Commission Mon C. Wallgren. A copy of the letter was also sent to Secretary of State Dean Acheson for his information.

In addition the President also wrote to the Governors of the New England States and New York, requesting each of them to designate an official representative to act as liaison between the Federal Interagency Committee and the various agencies within his State concerned with resources development.

On October 28 the White House announced that the New England-New York interagency committee would hold its first meeting in Boston in November. The release stated that Col. Frederic F. Frech had been named chairman of the committee, and that the Governors of the six New England States and New York had been invited to participate in its meetings.

See also Item 33.

266 Remarks in St. Louis at the Installation of Mary Jane Truman as Worthy Grand Matron, Order of the Eastern Star for Missouri. *October 11, 1950*

Worthy Grand Matron, Worthy Grand Patron, distinguished guests and visitors, brothers and sisters:

It is a pleasure, of course, for me to be here tonight to see my sister installed as Worthy Grand Matron of the great State of Missouri. This is a very high honor to the family, and we all appreciate it.

I stopped here on my way west, and I have some of my staff here, and I would like to present them to you. I have the Honorable Charles G. Ross, Secretary to the President; Maj. Gen. Harry H. Vaughan, Military Aide to the President; Brig. Gen. Wallace H. Graham, Physician to the President—he keeps me walking around—the Honorable Mon C. Wallgren, former Governor of the great State of Washington and Chairman of the Federal Power Commission at this time. Also, my good friend Adelbert Weston, who used to work in the big Lodge at Belton, Mo., with me 40 years ago. I don't know whether he admits it, but I do. We have also present here tonight the father of the physician who keeps me walking around—and he used to do that before his son did—the Honorable J. W. Graham of Kansas City.

I don't know what to say to you tonight. There is not very much I can say. I told my sister that I didn't want to talk more than

an hour and a half. She did not seem to be very highly pleased with that, so I guess I will have to cut it short.

There are a great many things in this world, especially in this great United States of ours, which we do not appreciate. One of the things which we do not appreciate is the fact that we have this privilege here tonight. It is not customary in countries other than the free countries of the world, such as the United States, Canada, and Great Britain, to have organizations of this kind which can operate as they please for the welfare of all the members. The first thing that a totalitarian government does is to abolish all such organizations as this, and persecute the members.

I hope that the time will come, in the not far distant future, when it will be the privilege of every great nation to have freedom of the individual. That is what this country is founded upon. I do not believe the people of this country fully appreciate the Constitution under which they live. The first 10 amendments to that Constitution are the greatest Bill of Rights in the history of the world. It gives the right of the individual to live as he pleases and worship as he pleases. There are very few countries in the world where you find that privilege.

Now I am on my way to have a conference with General MacArthur, and I hope that out of that conference will come some contribution to the peace of the world.

For 5 long, hard years as President of the United States, I have labored diligently to attain a peaceful world. I think, in spite of conditions which are prevailing in the Far East, that we are making progress toward that point.

I hope eventually that there will come a time in the world when it will not be necessary for us to settle our differences by killing each other. We have to be patient, though, because it took us—ourselves—more than 80 years to come to that conclusion, and we were 4 of those years whipping ourselves

before we decided to live peacefully together. Maybe that will come about in the world at large. I hope it will. I am going to keep working for it, anyway.

I want to thank this great organization most sincerely for the honor that it has conferred on my sister. All of us in the whole family are happy and pleased that you have seen fit to do that. I hope she will make a good Worthy Matron. I prophesy that she will.

Thank you very much.

NOTE: The President spoke at 9:46 p.m. in Kiel Auditorium in St. Louis, Mo. His opening words "Worthy Grand Matron, Worthy Grand Patron" referred to the President's sister, Mary Jane Truman, and to Judge Byrne E. Bigger, both of whom were installed in their respective posts that evening.

See also Item 314.

267 Remarks in Pearl Harbor at the Commissioned Officers Mess. *October 13, 1950*

Governor Stainback, Admiral Radford, gentlemen of this great Territory of Hawaii:

It is certainly a pleasure to have this short visit in Honolulu. I sincerely wish I could stay longer. In fact, I made a suggestion to my advisers this morning that we might take a vote on whether we should just let the situation drift and stay here. But, of course we can't do that; you know we can't do that.

I am very much interested in this part of the world. I was highly appreciative of the fact that these young ladies appeared in their native costumes. That was an accommodation to us. They looked very beautiful, and I know that all of you enjoyed the luncheon much better on that account.

I know also that this Territory has furnished some very able assistance in Korea, and that your casualties have been very great. I am sincerely sorry about the casualties, but somebody has to meet these situations; they

can't be met with sticks and stones—somebody is bound to get hurt.

Last night, before I left San Francisco, I visited the hospital at Fairfield Base and called on those wounded who had just come in from Korea. Those young men have magnificent morale. Secretary Pace, General Bradley, and several others of the party went with me to that hospital ward. There was not a single complaint. There was not a single man there who did not feel that he was making the proper sacrifice for his country. If all of us in the whole country had that same brand of morale, we would never get into trouble. I think we are slowly and gradually attaining that situation.

It is difficult for us—for this Republic of ours—to realize the responsibilities of the Government of the United States. In one generation we have come from an isolated Republic, which considered itself entirely safe with an ocean on each side of it, to the

position of leadership of the world—the most powerful nation in the world.

And as the most powerful nation in the world, we have to assume world responsibilities. One of the principal reasons why I am anxious to see the Territory of Hawaii and the Territory of Alaska become States is because of their vital importance to the defense and to the welfare of the United States of America. They are both key positions in the national defense of the United States on its western borders. It is necessary that they have representation in the legislative bodies of the United States in order to bring that lesson home to the Congress. There are men in the Congress who do not yet realize that we are an international nation now, and not just a Republic bounded on the east by the Atlantic and on the west by the Pacific. I hope that lesson can go home to the whole country in such a way that we can maintain the peace of the world.

I am not one of those who thinks that another world war is inevitable. I am just as sure as I stand here that the people behind the Iron Curtain are just as anxious for peace as I am. I am just as sure as I stand here that if the truth could be gotten to these people, there would be peace in the world. And we are going to get the truth to those people, and we won't have to do it with guns, I am sure.

I can't tell you how very much I appreciate the hospitality of Admiral Radford and the Governor of this Territory, and I sincerely wish that I were not on an errand which requires constant study and work, so that I am not in a position to attend any special meetings of any kind.

It is necessary, after our conference with General MacArthur on the situation in Korea and Japan, for me to immediately return to San Francisco and tell the world what our policy is as it affects the world and

world peace. And on the 24th of October I shall appear before the United Nations and try to drive the matter home in such a way that we may begin to arrive at a situation where we can have world peace and not world war. That is my sole ambition. I have no other—never had any other. Since I became President in 1945, it has been my constant effort to get things worked out so that there would be permanent peace in the world. There is no reason why it can't be done.

I want to say to you that had I been able to accomplish that in 1948, I don't think it would have been necessary for me to go out and show certain people that polls don't count. I am glad I did that, however. I am glad I did that, however, because it taught those people a lesson, and they needed a lesson—they needed it badly.

I am hoping that as a result of what we are trying to do, we will wind up with a condition where we won't have to make the sacrifices that your young men are making now.

It was my privilege, after the Second World War, to pin some medals on some of your soldiers from this Territory—brave men who won those medals in Italy. I decorated the whole regiment, or battalion, I forget which it was, in the backyard of the White House, and I pinned some special medals on some of those young men. And I was very proud and happy to do it.

You know, one of the greatest things that I do as President of the United States is to award medals to these young men who win them. I have awarded more Congressional Medals of Honor than all the Presidents put together. That is not because I am there, it is because of the fact that we had the greatest war we have ever fought, which ended while I happened to be President.

I want to thank you again for all this gracious hospitality, and I hope that you will

hold the door open and let me come back down here sometime, if I can get Key West's consent, and stay longer.

NOTE: The President spoke at 1:18 p.m. at the Commissioned Officers Mess in Pearl Harbor. In his opening words he referred to Governor Ingram M. Stainback of Hawaii and Adm. Arthur W. Radford, Commander in Chief Pacific Fleet.

268 Statement by the President on His Meeting With General MacArthur at Wake Island.

October 15, 1950

I HAVE met with General of the Army Douglas MacArthur for the purpose of getting firsthand information and ideas from him. I did not wish to take him away from the scene of action in Korea any longer than necessary and, therefore, I came to meet him at Wake. Our conference has been highly satisfactory.

The very complete unanimity of view which prevailed enabled us to finish our discussions rapidly, in order to meet General MacArthur's desire to return at the earliest possible moment. It was apparent that the excellent coordination which has existed between Washington and the field, to which General MacArthur paid tribute, greatly facilitated the discussion.

After I had talked with General MacArthur privately, we met together with our advisers. These joint talks were then followed by technical consultations in which the following participated: General MacArthur and Ambassador John Muccio; Mr. Averell Harriman, Special Assistant to the President; Secretary of the Army Frank Pace; General of the Army Omar N. Bradley, Chairman, Joint Chiefs of Staff; Adm. Arthur W. Radford, Commander in Chief Pacific Fleet; Assistant Secretary of State Dean Rusk; and Ambassador at Large Philip C. Jessup.

Primarily we talked about the problems in Korea which are General MacArthur's most pressing responsibilities. I asked him for information on the military aspects. I

got from him a clear picture of the heroism and high capacity of the United Nations forces under his command. We also discussed the steps necessary to bring peace and security to the area as rapidly as possible in accordance with the intent of the resolution of the United Nations General Assembly and in order to get our armed forces out of Korea as soon as their United Nations mission is completed.

We devoted a good deal of time to the major problem of peaceful reconstruction of Korea which the United Nations is facing and to the solution of which we intend to make the best contribution of which the United States is capable. This is a challenging task which must be done properly, if we are to achieve the peaceful goals for which the United Nations has been fighting. The success which has attended the combined military effort must be supplemented by both spiritual and material rehabilitation. It is essentially a task of helping the Koreans to do a job which they can do for themselves better than anyone else can do it for them. The United Nations can, however, render essential help with supplies and technical advice as well as with the vital problem of rebuilding their educational system.

Meanwhile, I can say I was greatly impressed with what General MacArthur and Ambassador Muccio told me about what has already been done and is now being done to bring order out of chaos and to restore to the Korean people the chance for a good life

in peace. For example, the main rail line from Incheon to Suwon was open to rail traffic in less than 10 days after the Incheon landing. The rail line from Pusan to the west bank of the Han River opposite Seoul was open to one-way rail traffic about October 8th. Bridge and highway reconstruction is progressing rapidly. Power and the water supply in Seoul were reestablished within a week after the reentry into the capital. General MacArthur paid a particularly fine tribute to the service being rendered in Korea by Ambassador Muccio.

I asked General MacArthur also to explain at firsthand his views on the future of Japan with which I was already generally familiar through his written reports. As already announced, we are moving forward with preliminary negotiations for a peace treaty to which Japan is entitled. General MacArthur and I look forward with confidence to a new Japan which will be both

peaceful and prosperous.

I also asked General MacArthur to tell me his ideas on the ways in which the United States can most effectively promote its policies of assisting the United Nations to promote and maintain international peace and security throughout the Pacific area.

On all of these matters, I have found our talks most helpful, and I am very glad to have had this chance to talk them over with one of America's great soldier-statesmen who is also now serving in the unique position of the first commander in chief of United Nations peace forces. We are fully aware of the dangers which lie ahead but we are confident that we can surmount these dangers with three assets which we have: first, unqualified devotion to peace; second, unity with our fellow peace-loving members of the United Nations; third, our determination and growing strength.

NOTE: See also Items 264, 269, 270 [2].

269 Address in San Francisco at the War Memorial Opera House. *October 17, 1950*

Mayor Robinson, fellow citizens:

I have just returned from Wake Island, where I had a very satisfactory conference with Gen. Douglas MacArthur.

I understand that there has been speculation about why I made this trip. There is really no mystery about it. I went because I wanted to see and talk to General MacArthur. The best way to see him and talk to him is to meet him somewhere and talk to him.

There is no substitute for personal conversation with the commander in the field who knows the problems there from firsthand experience. He has information at his fingertips which can be of help to all of us in deciding upon the right policies in these crucial times.

I went out to Wake Island to see General MacArthur because I did not want to take him far away from Korea, where he is conducting very important operations with great success. Events are moving swiftly over there now, and I did not feel that he should be away from his post too long.

At the same time I believed that my trip to Wake Island would give emphasis to the historic action taken by the United Nations on Korea. For Korea has become the symbol of the resistance of a united humanity against aggression.

I also felt that there was pressing need to make it perfectly clear—by my talk with General MacArthur—that there is complete unity in the aims and conduct of our foreign policy.

I have come back from this conference with increased confidence in our long-range ability to maintain world peace.

At Wake Island we talked over the Far Eastern situation and its relationship to the problem of world peace. I asked General MacArthur for his ideas on the ways in which the United States can most effectively assist the United Nations in promoting and maintaining peace and security throughout the Pacific area.

We discussed Japan and the need for an early Japanese peace treaty. Both of us look forward with confidence to a new Japan which will be peaceful and prosperous.

General MacArthur told me about the fighting in Korea. He described the magnificent achievements of all the United Nations forces serving under his command. Along with the soldiers of the Republic of Korea these forces have now turned back the tide of aggression. More fighting men are coming from free nations all over the world. I am confident that these forces will soon restore peace to the whole of Korea.

We here at home in America naturally take special pride in the superb achievements of our own soldiers, sailors, marines, and airmen. They have written a glorious new page in military history. We can all be proud of them.

It is also a source of pride to us that our country was asked to furnish the first commander of United Nations troops. It is fortunate for the world that we had the right man for this purpose—a man who is a very great soldier—Gen. Douglas MacArthur.

Now I want Wake Island to be a symbol of our unity of purpose for world peace. I want to see world peace from Wake Island west all the way around and back again. I want to see world peace from Wake Island all the way east and back again—and we are going to get it!

The United Nations action in Korea is of supreme importance for all the peoples of the world.

For the first time in history the nations who want peace have taken up arms under the banner of an international organization to put down aggression. Under that banner, the banner of the United Nations, they are succeeding. This is a tremendous step forward in the age-old struggle to establish the rule of law in the world.

The people of San Francisco have shown that they appreciate the importance of the United Nations as a vital force in world affairs. I am told that in this area alone 71 organizations are celebrating United Nations week.

The United Nations was established here in this very building 5 years ago. It was founded in the hope and in the belief that mankind could have just and lasting peace. And I made the first speech to that organization that was made to it after the charter was signed.

Today as a result of the Korean struggle the United Nations is stronger than it has ever been. We know now that the United Nations can create a system of international order with the authority to maintain peace.

When I met with General MacArthur we discussed plans for completing the task of bringing peace to Korea. We talked about plans for establishing a “unified, independent, and democratic” government in that country in accordance with the resolution of the General Assembly of the United Nations.

It has been our policy ever since World War II to achieve these results for Korea.

Our sole purpose in Korea is to establish peace and independence. Our troops will stay there only so long as they are needed by the United Nations for that purpose. We seek no territory or special privilege in Korea or anywhere else. We have no aggressive

designs in Korea or in any other place in the Far East or elsewhere. And I want that to be perfectly clear to the whole world.

No country in the world which really wants peace has any reason to fear the United States of America.

The only victory we seek is the victory of peace.

The United Nations forces in Korea are making spectacular progress. But the fighting there is not yet over. The North Korean Communists still refuse to acknowledge the authority of the United Nations. They continue to put up stubborn, but futile resistance.

The United Nations forces are growing in strength and are now far superior to the forces which still oppose them. The power of the Korean Communists to resist effectively will soon come to an end.

However, the job of the United Nations in Korea will not end when the fighting stops. There is a big task of rehabilitation to be done. As a result of the Communist aggression, Korea has suffered terrible destruction. Thousands upon thousands of people are homeless and there is serious danger of famine and disease in the coming winter months.

The United Nations is already extending relief to ease the suffering which the Communist invasion has brought about and it is preparing to help the Koreans rebuild their homes and restore their factories.

General MacArthur and Ambassador Muccio gave me a vivid picture of the way in which the process of reconstruction has already begun. Railroads are being restored, bridges are being rebuilt, and public utilities are beginning to function.

We will use the resources of our Army and our Economic Cooperation Administration to meet the immediate emergency. We will give our strong support to the United

Nations program of relief and reconstruction that will soon be started. The United States will do its full part to help build a free, united, and self-supporting Korean Republic.

In a very real sense the unity of the free nations in meeting the aggression in Korea is the result of a firmly held purpose to support peace and freedom—a purpose which the free nations have pursued together over the years just passed.

The name “United Nations” was first used in the dark days of the Second World War by the countries then allied to put down another aggression.

From that day until this, the cause of peace has been strengthened by an active policy of cooperation among the free nations. It is not by chance, but as a result of that steady policy, that 53 members of the United Nations rallied immediately to meet the unprovoked aggression against the Republic of Korea.

It has been as a part of that same policy and common purpose that we have joined during the past 5 years in building up the strength of the peace-loving forces of the world. We have contributed to this through the Marshall plan in Europe, through economic assistance in many other parts of the world. We have also contributed to this end through military aid to countries threatened by aggression. All around the world the free nations have been gaining in strength.

We have to recognize that, as we have moved steadily along in the postwar years, our policy of building a peaceful world has met constant opposition from the Soviet Union.

Here in San Francisco, 5 years ago, we hoped that the Soviet Union would cooperate in this effort to build a lasting peace.

But Communist imperialism would not

have it so. Instead of working with other governments in mutual respect and cooperation, the Soviet Union attempted to extend its control over other peoples. It embarked on a new colonialism—Soviet style. This new colonialism has already brought under its complete control and exploitation many countries which used to be free countries. Moreover, the Soviet Union has refused to cooperate and has not allowed its satellites to cooperate with those nations it could not control.

In the United Nations, the Soviet Union has persisted in obstruction. It has refused to share in activities devoted to the great economic, social, and spiritual causes recognized in the United Nations Charter. For months on end, it even boycotted the Security Council.

These tactics of the Soviet Union have imposed an increasingly greater strain upon the fabric of world peace. Aggression and threats of aggression, aided and abetted by obstructionism in the United Nations, have caused grave concern among the nations which are honestly seeking peace. The response of the free world to the aggression in Korea has given those nations new confidence. But events in Korea have also made it more apparent than ever that the evil spirit of aggression is still abroad in the world. So long as this is true, we are all faced with a clear and present danger.

Today we face a violent and cynical attack upon our democratic faith, upon every hope of a decent and free life—indeed, upon every concept of human dignity. Those who support this evil purpose are prepared to back it to the limit with every device, including unlawful military force.

The Soviet Union and its colonial satellites are maintaining armed forces of great size and strength, in both Europe and Asia. Their vast armies pose a constant threat to

world peace. So long as they persist in maintaining these forces and in using them to intimidate other countries, the free men of the world have but one choice if they are to remain free. They must oppose strength with strength.

This is not a task for the United States alone. It is a task for the free nations to undertake together. And the free nations are undertaking it together.

In the United Nations, Secretary of State Dean Acheson has proposed a plan for "Uniting for Peace," to make it possible for the General Assembly to act quickly and effectively in case of any further outbreak of aggression.

In our own country, and in cooperation with other countries, we are continuing to build armed forces strong enough to make it clear that aggression will not pay.

Our military establishment moved the necessary men and supplies into Korea, 5,000 miles away, in an amazingly brief period of time. This remarkable accomplishment should not delude us into any false sense of security. We must be better armed and better equipped than we are today if we are to be protected from the dangers which still face us.

We must continue to increase our production for military purposes. We must continue to increase the strength of our Armed Forces—Army, Navy, and Air Force. We must devote more of our resources to military purposes, and less to civilian consumption.

All this will be difficult, and it will exact many and great sacrifices. But we are aware of the dangers we face. We are going to be prepared to meet them. Now, let no aggressor make any mistake about that. We value our independence and our free way of life in this country and we will give all that we have to preserve them. We are

going ahead in dead earnest to build up our defenses. There will be no letdown because of the successes achieved in Korea.

As we go forward let us remember that we are not increasing our armed strength because we want to. We are increasing our armed strength because Soviet policies leave us no other choice.

Now the Soviet Union can change this situation. It has only to give concrete and positive proof of its intention to work for peace. If the Soviet Union really wants peace, it must prove it—not by glittering promises and false propaganda but by living up to the principles of the United Nations Charter.

If the Soviet Union really wants peace, it can prove it—and could have proved it on any day since last June 25th—by joining the rest of the United Nations in calling upon the North Koreans to lay down their arms at once.

If the Soviet Union really wants peace, it can prove it by lifting the Iron Curtain and permitting the free exchange of information and ideas. If the Soviet Union really wants peace, it can prove it by joining in the efforts of the United Nations to establish a workable system of collective security—a system which will permit the elimination of the atomic bomb and the drastic reduction and regulation of all other arms and armed forces.

But until the Soviet Union does these things, until it gives real proof of peaceful intentions, we are determined to build up the common defensive strength of the free world. This is the choice we have made. We have made it firmly and resolutely. But it is not a choice we have made gladly. We are not a militaristic nation. We have no desire for conquest or military glory.

Our national history began with a revolutionary idea—the idea of human freedom

and political equality. We have been guided by the light of that idea down to this day. The forces of Communist imperialism dread this revolutionary idea because it produces an intolerable contrast to their own system. They know that our strength comes from the freedom and the well-being of our citizens. We are strong because we never stop working for better education for all our people, for fair wages and better living conditions, for more opportunities for business and better lives for our farmers. We are strong because of our Social Security System, because of our labor unions, because of our agricultural program. We are strong because we use our democratic institutions continually to achieve a better life for all the people of our country.

This is the source of our strength. And this idea—this endlessly revolutionary idea of human freedom and political equality—is what we held out to all nations as an answer to the tyranny of international communism. We have seen this idea work in our own country. We know that it acknowledges no barriers of race, or nation, or creed. We know that it means progress for all men.

The international Communist movement, far from being revolutionary, is the most reactionary movement in the world today. It is violently opposed to the freedom of the individual, because in that Communist system the state is supreme. It is equally opposed to the freedom of other nations, because in that Communist system it is Soviet Russia which must be supreme.

When General MacArthur and I discussed the whole problem of peace in the Far East, we recognized that this is far more than a military problem.

Today the peoples of the Far East, as well as the peoples of the other parts of the world, are struggling with the false revolution of communism. Soviet communism makes the

false claim to those peoples that it stands for progress and human achievement. Actually, it seeks to turn them into the colonial slaves of a new imperialism. In this time of crisis, we ask the peoples of the Far East to understand us as we try to understand them. We are not trying to push blueprints upon them as readymade answers for all their complicated problems. Every people must develop according to its own particular genius and must express its own moral and cultural values in its own way.

We believe that we have much in common with the peoples of the Far East. Their older civilizations have much to teach us. We hope our new developments may be helpful to them.

We know that the peoples of Asia cherish their freedom and independence. We sympathize with that desire and we will help to attain and defend their independence. Our entire history proclaims our policy on that point. Our men are fighting now in Asia to help secure the freedom and independence of a small nation which was brutally attacked.

We know that the peoples of Asia have problems of social injustice to solve. They want their farmers to own their land and to enjoy the fruits of their toil. That is one of our great national principles also. We believe in the family-size farm. That is the basis of our agriculture and has strongly influenced our form of government.

We know that the peoples of Asia want their industrial workers to have their full measure of freedom and rising standards of living. So do we. That is the basis of our industrial society in this country.

We know that the peoples of Asia have problems of production; they need to produce more food and clothing and shelter. It is in this field that we can make a special

contribution by sharing with others the productive techniques which we have discovered in our own experience.

We are not strangers to the Far East. For more than a century our missionaries, doctors, teachers, traders, and businessmen have knit many ties of friendship between us. If we can be of help, we are ready to offer it—but only to those who want it. Through the Economic Cooperation Administration, point 4, and in many other ways we are trying to help the peoples of other countries to improve their living standards. We will continue these programs in cooperation with the United Nations. Even as we undertake the necessary burdens of defense against aggression, we will help to expand the work of aiding human progress. Otherwise, measures of defense alone will have little or no value.

We seek full partnership with the peoples of Asia, as with all other peoples, in the defense and support of the ideals which we and they have written into the Charter of the United Nations. What we want is a partnership for peace.

I have spoken to you tonight about some of the things which all of us are thinking about as we push ahead to finish our job in Korea. At a time when our forces under General MacArthur are locked in combat with a stubborn enemy, it is essential for us to understand what our broad purposes are and see clearly the kind of world we seek to build.

As your President I realize what it means to the homes of America to have the youth of our land called to meet aggression. These are the most solemn decisions and impose the heaviest responsibility upon those who must make them. I have told you tonight why we must do what we are doing. We hate war, but we love our liberties. We will

not see them destroyed. We want peace but it must be a peace founded upon justice. What we want is a partnership for peace with all the world.

Our American policy of peace, founded upon justice, is as old as this Republic, and it is stronger today than ever before in our

history. And with God's help we intend to keep it that way.

NOTE: The President spoke at 8:30 p.m. at the War Memorial Opera House in San Francisco. In his opening words he referred to Mayor Elmer E. Robinson of San Francisco. The address was carried on a nationwide radio broadcast.

See also Items 264, 268, 270 [2].

270 The President's News Conference of October 19, 1950

THE PRESIDENT. I will answer questions so far as I can. I have no announcements to make.

[1.] Q. Mr. President, having in mind the invitation from the President of Chile earlier in the year, is there any possibility that you would visit Chile the latter part of this year?

THE PRESIDENT. Not with a special session of Congress going on. I can't go anywhere.

[2.] Q. Mr. President, are you now in complete agreement with General MacArthur on Formosa?

THE PRESIDENT. Let me tell you something that will be good for your soul. It's a pity that you columnists and reporters that represent a certain press service can't understand the ideas of two intellectually honest men when they meet.

General MacArthur is the commander in chief of the Far East. He is a member of the Government of the United States. He is loyal to that Government. He is loyal to the President. He is loyal to the President in his foreign policy, which I hope a lot of your papers were—*wish* a lot of your papers were.

There is no disagreement between General MacArthur and myself. It was a most successful conference. Formosa was settled a month ago, or 5 weeks, I think it was. And there was nothing about Formosa to be settled with General MacArthur. I went

out there to get General MacArthur's viewpoint on Japan and the Japanese treaty, to find out if he had any suggestions to make to the treaty which we had drawn and sent around for discussion.

I went out there to find out about the rehabilitation of Korea, and I found out about it. And we have made a decision on what we are going to do about it. We talked about all the rest of the Asiatic Continent and the Far East, and when General MacArthur went to leave, he said that it was one of the most successful conferences he had ever attended. And I said the same thing.

There's your answer.

Q. Thank you, Mr. President.

THE PRESIDENT. You understand now, don't you?

Q. Yes, sir. [*Laughter*]

Q. Were there any decisions taken about Indochina, Mr. President?

THE PRESIDENT. We discussed Indochina. We made no decisions. I got his viewpoint on Indochina. Name any other country you want to in the Far East, and I will answer you.

Q. The Philippines.

Q. Mr. President, I hate to bring up Formosa again—

THE PRESIDENT. Formosa is answered, and I have nothing to say further on it.

Q. No more comment?

THE PRESIDENT. No more comment whatever. I answered you on that.

Q. Mr. President, did you discuss the admission of Red China to the United Nations?

THE PRESIDENT. Did not. Did not.

Q. What was that question?

THE PRESIDENT. He wanted to know if we discussed the admission of Red China to the United Nations, and I said I did not discuss that.

Q. Mr. President, not discussing Formosa in connection with the conference, but I wonder if I could ask this question? Do you intend to actually defend Formosa pending a disposition of it by the United Nations?

THE PRESIDENT. We have no reason to consider that question because that is a river that we have not come to as yet.

[Pause]

[3.] Q. I will ask one, Mr. President.

THE PRESIDENT. All right.

Q. On Monday, the Genocide Convention became effective because, I think, there are five other countries that have ratified it, and we haven't yet. I wonder if you would urge the Senate to—

THE PRESIDENT. One of the last things I did before the Congress adjourned was to urge the Senate to ratify that convention;¹ and of course, when they come back here, I am going to urge them again to ratify it as promptly as it is possible. It will be ratified.

[4.] Q. Mr. President, would you care to comment on the action taken by the United Nations in approving the Acheson proposal for closer unity among the United Nations?

THE PRESIDENT. I am very well satisfied with it, and I think I made that clear in my San Francisco speech.²

[5.] Q. Mr. President, is there any possi-

bility that members of the Reserve will get the idea sometime in the near future of what their status is as regards service?

THE PRESIDENT. We have been discussing that with the Defense Department, and I hope that we can work out a program that will be equitable and fair, both to the Reserves and to the citizen soldiers altogether.

[6.] Q. Mr. President, Senator Pat McCarran said awhile ago that your administration is trying to discredit the anti-Communist bill by this action today on Spain?³

THE PRESIDENT. The administration did not discredit the law. The law was discredited in the Congress. All I am doing is enforcing it, and I expect to enforce it to the letter.

Q. What was that question on, please?

THE PRESIDENT. On Senator McCarran's anti-Communist bill, or pro-Communist bill, I call it. [Laughter]

[7.] Q. Mr. President, I have a "must" question—

THE PRESIDENT. Sure—[laughter]—I am not exasperated with you, you can ask me anything you want, but I don't think I want to comment any further on questions about Formosa. It is not necessary. But I will try to answer your question.

Q. It is not on Formosa.

THE PRESIDENT. That's all right.

Q. In view of the protests by Southern Congressmen and the cotton bloc, do you feel that the 2 million bales cotton export quota should be relaxed?

THE PRESIDENT. I didn't get the beginning of your question.

³ On October 19 the Department of Justice ordered members of the Spanish Falangist Party barred from the United States, ruling that they were totalitarians inadmissible under the terms of the new Internal Security Act. The Department of State, acting simultaneously, instructed its officials abroad to suspend action on visas held or applied for by Falange members until a governmental study of the new law could be completed.

¹ See Item 222.

² See Item 269.

Q. The 2 million bale quota on cotton exports, which some Southern Congressmen have protested—the question was whether you felt that—do you know of any justification for relaxing it?

THE PRESIDENT. No, there is no justification for relaxing it, because we need the cotton here at home. That's the reason the quota was put on.

[8.] Q. Mr. President, in connection with the Reserve thing, have you any ideas when the program will be announced?

THE PRESIDENT. No, I haven't. You see what the difficulty is that those men who accepted Reserve commissions, and those enlisted men who stayed in the organized Reserve, and those who joined the National Guard and helped to reorganize it are to some extent making some sacrifice for their country over those who have come of age in the last 5 years to render military service.

And it is not exactly fair. I don't know how we are going to work it out, but the Defense Department is working on it. That is what the difficulty is. And a lot of Reservists have been discharged from their jobs. I think *that* is certainly a patriotic thing for people to do! Those are the fellows that ought to have the pick of the jobs.

Q. What was the last part of your sentence?

THE PRESIDENT. I said that some of those Reservists are being discharged because they are Reservists, and that certainly is a highly patriotic thing to do. Those fellows ought to have priority on everything of that kind.

[9.] Q. Mr. President, can you give us an idea when the Bell report on the Philippines might be made public? ⁴

THE PRESIDENT. It will be some time before it is made public, if it ever is.

[10.] Q. Mr. President, do you feel more optimistic concerning the Democrats' prospects in the New York elections?

THE PRESIDENT. I think the Democrats are going to have a landslide this fall. I think there are going to be a lot of surprised Republicans, just as there were in 1948.

Q. May I ask—

Q. Do you think—

THE PRESIDENT. What? [*Laughter*]

Q. Go ahead.

Q. This is politics.

THE PRESIDENT. Go ahead—go ahead.

Q. So is mine. [*More laughter*]

Q. Does that landslide in New York have anything to do with a certain letter ⁵ which is being talked about up there?

THE PRESIDENT. I read that letter, and I was sorry I read it, and sorry a thing of that kind had to come up before the public. And I have no comment to make on it at all. I think, of course, that it will have some effect on the New York elections, and it won't hurt the Democrats.

[11.] Q. I was going to ask if you expect the landslide to extend into Pennsylvania, Mr. President?

THE PRESIDENT. Oh, I can't prophesy on that. I am trying to increase membership in the House and the Senate. They have always said we were going to lose some States, but I don't think so. I can't comment on specific States because I don't know the local conditions. I hope we elect Frank Myers,⁶ though.

Q. Do you think, sir, there will be increases in both Chambers?

THE PRESIDENT. I do.

Q. Mr. President, Senator Anderson this

⁵ On September 5, 1950, Lt. Governor Joe R. Hanley of New York sent a letter to Representative W. Kingsland Macy in which he indicated that he had agreed to run for the Senate on the Republican ticket as a result of "unalterable and unquestionably definite propositions" made to him during a conference with Governor Thomas E. Dewey. The full text of the letter is printed in the Congressional Record (vol. 96, p. A7635).

⁶ Senator Francis J. Myers of Pennsylvania.

⁴ See Items 180 and 238 [5].

morning left the door open just a smidge for you to go out campaigning?

THE PRESIDENT. I have no plans in that direction.

[12.] Q. Mr. President, any chance of your going home to vote?

THE PRESIDENT. Yes, I think I will go home to vote, if everything is all right here so I can leave.

Q. Might say a few words the night before the election?

THE PRESIDENT. No. I am going to receive and dedicate a bell out there that was given to Independence by a little village in France where these Liberty Bells were cast. That will be the Monday of the week, and go in the daytime.⁷

Q. Is that down home?

THE PRESIDENT. This is cast in Independence.

Q. Do they know out home that you are coming?

THE PRESIDENT. Oh yes, they have made arrangements for it.

Q. I have been out of town.

THE PRESIDENT. That's one on me that I can't answer. [*Laughter*]

[13.] Q. Mr. President, Senator Martin of Pennsylvania, in a campaign speech last night, said that the President was delaying putting in price and wage controls until after the election for political——

THE PRESIDENT. No, the Senator is very much mistaken about that. I am sure that Senator Martin would not make a statement of that kind with vicious intent. He is a fine gentleman. Every effort has been made to get these things done as rapidly as possible, but you know, one of the difficulties——since a man has to have his character assassinated and have his private life hung out on the public line, I want to get men to fill

those places that are the kind you want.

[14.] Q. Mr. President, did any question of General MacArthur's resignation arise?

THE PRESIDENT. No. No. I had no intention of it arising. He told me very specifically that he was happy in his job, and he wanted to finish it. And I am happy to have him finish it.

Q. Mr. President, did he indicate when he might come back here for a visit?

THE PRESIDENT. No. He did not want to come back until his job is finished, he said. I imagine he meant the Japanese treaty, when he said that.

Q. Did he indicate how long——do you know how long that might be?

THE PRESIDENT. No, I can't tell you how long it is going to take to negotiate that Jap treaty. I hope it will be done promptly.

[15.] Q. Do you have any appointment in mind for Senator Graham?⁸

THE PRESIDENT. Senator Graham has informed me that he wants to finish his term as Senator, and then he would be willing to talk to me.

[16.] Q. Mr. President, when might consultations with the Japanese treaty begin?

THE PRESIDENT. We are ready to begin any time.

Q. Well, how will the timing be determined, sir?

THE PRESIDENT. There are 11 nations that have to be in on it, and we are negotiating with them now, trying to get started on it. We are ready now.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and forty-second news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, October 19, 1950.

⁷ See Item 281.

⁸ Senator Frank P. Graham of North Carolina.

271 Address in New York City Before the United Nations
General Assembly. October 24, 1950

Mr. President, Mr. Secretary General, the people of the United Nations:

Five years ago today the Charter of the United Nations came into force. By virtue of that event, October 24, 1945, became a great day in the history of the world.

Long before that day, the idea of an association of nations to keep the peace had lived as a dream in the hearts and minds of men. Woodrow Wilson was the author of that idea in our time. The organization that was brought into being on October 24, 1945, represents our greatest advance toward making that dream a reality.

The United Nations was born out of an agony of war—the most terrible war in history. Those who drew up the charter really had less to do with the creation of the United Nations than the millions who fought and died in that war. We who work to carry out its great principles should always remember that this organization owes its existence to the blood and sacrifice of millions of men and women. It is built out of their hopes for peace and justice.

The United Nations represents the idea of a universal morality, superior to the interests of individual nations. Its foundation does not rest upon power or privilege; it rests upon faith. They rest upon the faith of men in human values—upon the belief that men in every land hold the same high ideals and strive toward the same goals for peace and justice.

This faith is deeply held by the people of the United States of America and, I believe, by the people of all other countries.

Governments may sometimes falter in their support of the United Nations, but the peoples of the world do not falter. The demand of men and women throughout the

world for international order and justice is one of the strongest forces in these troubled times.

We have just had a vivid demonstration of that fact in Korea. The invasion of the Republic of Korea was a direct challenge to the principles of the United Nations. That challenge was met by an overwhelming response. The people of almost every member country supported the decision of the Security Council to meet this aggression with force. Few acts in our time have met with such widespread approval.

In uniting to crush the aggressors in Korea, these member nations have done no more than the charter calls for. But the important thing is that they have done it, and they have done it successfully. They have given dramatic evidence that the charter works. They have proved that the charter is a living instrument backed by the material and moral strength of members, large and small.

The men who laid down their lives for the United Nations in Korea will have a place in our memory, and in the memory of the world, forever. They died in order that the United Nations might live.

As a result of their sacrifices, the United Nations today is stronger than it ever has been. Today, it is better able than ever before to fulfill the hopes that men have placed in it.

I believe the people of the world rely on the United Nations to help them achieve two great purposes. They look to it to help them improve the conditions under which they live. And they rely on it to fulfill their profound longing for peace.

These two purposes are closely interwoven. Without peace, it is impossible to

make lasting progress toward a better life for all. Without progress in human welfare, the foundations of peace will be insecure. That is why we can never afford to neglect one of these purposes at the expense of the other.

Throughout the world today, men are seeking a better life. They want to be freed from the bondage and the injustice of the past. They want to work out their own destinies. These aspirations of mankind can be met—met without conflict and bloodshed—by international cooperation through the United Nations.

To us in this assembly hall, the United Nations that we see and hear is made up of speeches, debates, and resolutions.

But to millions of people, the United Nations is a source of direct help in their everyday lives. To them it is a case of food or a box of schoolbooks; it is a doctor who vaccinates their children; it is an expert who shows them how to raise more rice, or more wheat, on their land; it is the flag which marks a safe haven to the refugee, or an extra meal a day to a nursing mother.

These are not the only ways in which the United Nations helps people to help themselves. It goes beyond these material things, it gives support to the spiritual values of men's lives.

The United Nations can and does assist people who want to be free. It helps dependent peoples in their progress toward self-government. And when new nations have achieved independence, it helps them to preserve and develop their freedom.

Furthermore, the United Nations is strengthening the concept of the dignity and worth of human beings. The protection of human rights is essential if we are to achieve a better life for people. The efforts of the United Nations to push ahead toward an ever broader realization of these rights is one of its most important tasks.

So far, this work of the United Nations for human advancement is only a beginning of what it can be and what it will be in the future. The United Nations is learning through experience. It is growing in prestige among the peoples of the world. The increasing effectiveness of its efforts to improve the welfare of human beings is opening up a new page in history.

The skills and experience of the United Nations in this field will be put to the test now that the fighting in Korea is nearly ended. The reconstruction of Korea as a free, united, and self-supporting nation is an opportunity to show how international cooperation can lead to gains in human freedom and welfare.

The work of the United Nations for human advancement, important as it is, can be fully effective only if we can achieve the other great objective of the United Nations, a just and lasting peace.

At the present time, the fear of another great international war overshadows all the hopes of mankind. This fear arises from the tensions between nations and from the recent outbreak of open aggression in Korea. We in the United States believe that such a war can be prevented. We do not believe that war is inevitable.

One of the strongest reasons for this belief is our faith in the United Nations.

The United Nations has three great roles to play in preventing wars.

First: it provides a way for negotiation and the settlement of disputes among nations by peaceful means.

Second: it provides a way of utilizing the collective strength of member nations, under the charter, to prevent aggression.

Third: it provides a way through which, once the danger of aggression is reduced, the nations can be relieved of the burden of armaments.

All of us must help the United Nations to

be effective in performing these functions.

The charter obligates all of us to settle our disputes peacefully. Today is an appropriate occasion for us solemnly to reaffirm our obligations under the charter.

Within the spirit and even the letter of the charter we shall go even further. We must attempt to find peaceful adjustments of underlying situations or tensions before they harden into actual disputes.

The basic issues in the world today affect the fate of millions of people. Here, in the United Nations, there is an opportunity for the large and the small alike to have their voices heard on these issues. Here the interests of every country can be considered in the settlement of problems which are of common concern.

We believe that negotiation is an essential part of this peaceful process. The United States, as one of the members of the United Nations, is prepared now, as always, to enter into negotiations. We insist only that negotiations be entered into in good faith and be governed throughout by a spirit of willingness to reach proper solutions.

While we will continue to take advantage of every opportunity—here in the United Nations and elsewhere—to settle differences by peaceful means, we have learned from hard experience that we cannot rely upon negotiation alone to preserve the peace.

Five years ago, after the bloodshed and destruction of World War II, many of us hoped that all nations would work together to make sure that war could never happen again. We hoped that international cooperation, supported by the strength and moral authority of the United Nations, would be sufficient to prevent aggression.

But this was not to be the case, I am sorry to say.

Although many countries promptly disbanded their wartime armies, other countries continued to maintain forces so large

that they posed a constant threat of aggression. And this year, the invasion of Korea has shown that there are some who will resort to outright war, contrary to the principles of the charter, if it suits their ends.

In these circumstances, the United Nations, if it is to be an effective instrument for keeping the peace, has no choice except to use the collective strength of its members to curb aggression.

To do so, the United Nations must be prepared to use force. The United Nations did use force to curb aggression in Korea, and by so doing has greatly strengthened the cause of peace. I am glad that additional steps are being taken at this session to prepare for quick and effective action in any future case of aggression.

The Resolution on the United Action for Peace which is now being considered by the General Assembly recognizes three important principles:

To maintain the peace, the United Nations must be able to learn the facts about any threat of aggression.

Next, it must be able to call quickly upon the member nations to act if the threat becomes serious.

Above all, the peace-loving nations must have the military strength available, when called upon, to act decisively to put down aggression.

The peace-loving nations are building that strength.

However much they may regret the necessity, they will continue to build up their strength until they have created forces strong enough to preserve the peace under the United Nations. They will do all that is required to provide a defense against aggression. They will do that because, under the conditions which now exist in the world, it is the only way to maintain peace.

We intend to build up strength for peace as long as it is necessary. But at the same

time, we must continue to strive, through the United Nations, to achieve international control of atomic energy and the reduction of armaments and armed forces. Cooperative and effective disarmament would make the danger of war remote. It would be a way of achieving the high purposes of the United Nations without the tremendous expenditures for armaments which conditions in the world today make imperative.

Disarmament is the course which the United States would prefer to take. It is the course which most nations would like to adopt. It is the course which the United Nations from its earliest beginnings has been seeking to follow.

For nearly 5 years, two commissions of the United Nations have been working on the problem of disarmament. One commission has been concerned with the elimination of atomic weapons and the other with the reduction of other types of armaments and of armed forces. Thus far, these commissions have not been successful in obtaining agreement among all the major powers. Nevertheless, these years of effort have served to bring to the attention of all nations the three basic principles upon which any successful plan of disarmament must rest.

First, the plan must include all kinds of weapons. Outlawing any particular kind of weapon is not enough. The conflict in Korea bears tragic witness to the fact that aggression, whatever the weapons used, brings frightful destruction.

Second, the plan must be based on unanimous agreement. A majority of nations is not enough. No plan of disarmament can work unless it includes every nation having substantial armed forces. One-sided disarmament is a sure invitation to aggression.

Third, the plan must be foolproof. Paper promises are not enough. Disarma-

ment must be based on safeguards which will insure the compliance of all nations. The safeguards must be adequate to give immediate warning of any threatened violation. Disarmament must be policed continuously and thoroughly. It must be founded upon free and open interchange of information across national borders.

These are simple, practical principles. If they were accepted and carried out, genuine disarmament would be possible.

It is true that, even if initial agreement were reached, tremendous difficulties would remain. The task of working out the successive steps would still be a complex one and would take a long time and much effort. But the fact that this process is so complex and so difficult is no reason for us to give up hope of ultimate success.

The will of the world for peace is too strong to allow us to give up in this effort. We cannot permit the history of our times to record that we failed by default.

We must explore every avenue which offers any chance of bringing success to the activities of the United Nations in this vital area.

Much valuable work has already been done by the two disarmament commissions on the different technical problems confronting them. I believe it would be useful to explore ways in which the work of these commissions could now be more closely brought together. One possibility to be considered is whether their work might be revitalized if carried forward in the future through a new and consolidated disarmament commission.

But until an effective system of disarmament is established, let us be clear about the task ahead. The only course the peace-loving nations can take in the present situation is to create the armaments needed to make the world secure against aggression.

That is the course to which the United

States is now firmly committed. That is the course we will continue to follow as long as it is necessary.

The United States has embarked upon the course of increasing its armed strength only for the purpose of helping to keep the peace. We pledge that strength to uphold the principles of the Charter of the United Nations. We believe that the peace-loving members of the United Nations join us in that pledge.

I believe that the United Nations, strengthened by these pledges, will bring us nearer to the peace we seek.

We know that the difficulties ahead are great. We have learned from hard experience that there is no easy road to peace.

We have a solemn obligation to the peoples we represent to continue our combined efforts to achieve the strength that will prevent aggression.

At the same time, we have an equally solemn obligation to continue our efforts to find solutions to the major problems and issues that divide the nations. The settlement of these differences would make possible a truly dependable and effective system for the reduction and control of armaments.

Although the possibility of attaining that goal appears distant today, we must never stop trying. For its attainment would release immense resources for the good of all mankind. It would free the nations to devote more of their energies to wiping out poverty, hunger, and injustice.

If real disarmament were achieved, the nations of the world, acting through the United Nations, could join in a greatly enlarged program of mutual aid. As the cost of maintaining armaments decreased, every nation could greatly increase its contributions to advancing human welfare. All of us could then pool even greater resources to support the United Nations in its war against want.

In this way, our armaments would be transformed into foods, medicine, tools for use in underdeveloped areas, and into other aids for human advancement. The latest discoveries of science could be made available to men all over the globe. Thus, we could give real meaning to the old promise that swords shall be beaten into plowshares, and that nations shall not learn war any more.

Then, man can turn his great inventiveness, his tremendous energies, and the resources with which he has been blessed, to creative efforts. Then we shall be able to realize the kind of world which has been the vision of man for centuries.

This is the goal which we must keep before us—and the vision in which we must never lose faith. This will be our inspiration, and, with God's help, we shall attain our goal.

NOTE: The President spoke at 11:30 a.m. in New York City. In his opening words he referred to Nasrollah Entezam, President of the General Assembly, and Trygve Lie, Secretary General of the United Nations. The address was carried on a nationwide radio broadcast.

272 Remarks to Members of the National Guard Association.

October 25, 1950

Mr. President and gentlemen of the National Guard of the United States:

On June 14, 1905, I became a private in Battery B of the Missouri National Guard.

There were just two batteries in the National Guard at that time, one in St. Louis and one in Kansas City. About a year after that, I got a certificate making me a corporal. I

had that certificate framed, and I consider it one of the best certificates that I have had in my whole life.

Now you gentlemen don't appreciate what you have, and what you have to work with, and the instruction that you get in military matters.

In 1905 whenever there was a meeting of a battery for training, which happened once a week, everybody had to deposit 25 cents to keep the thing running. And now, I think, on drill nights maybe you get 10 or 20 or 30 times that 25 cents from the Government of the United States. And that is right and as it should be.

I think that the backbone of the defense of this country is in its civilian components. I have been advocating, ever since I became a member of the Congress of the United States, and that was on January 20, 1935, a universal training law. If you will read George Washington's message to the Congress of the United States in 1790, you will find that he advocated the same thing, and you will find that President after President since that time have been advocates of that program. Eight times I have asked the Congress, since I have been President, for a universal training program for the young men of the United States.

You know, one of the most disgraceful things that ever happened to this country was to find that 34 percent of the young men and young women were not physically and mentally fit to serve the country. Now that is a disgrace to the richest nation in the world, with all the medical knowledge that is supposed to exist in the world.

A universal training program would eradicate that situation, and I hope that you gentlemen, my friends in the National Guard, will put everything you have behind the idea of a training program for the youth of this country, to make them better

citizens, to make them able to defend their country when it is necessary.

I don't believe we would have had a Korean incident if some people had not thought that we were too proud to fight. We are not too proud to fight. We will fight for the right every time, and we have always done it—and thank God we have always won, because we have been on the right side. I hope we will never be on the wrong side.

I appreciate the privilege of being able to come over here and say a few words to you gentlemen. I am sympathetic with what you are trying to do. I was just saying to Paul Griffith that I don't think I ever saw so much brass in my life. It is all civilian brass, that's the beauty of it. And I don't think it is anything disgraceful to be called "brass"—"high brass."

You know, we coined that term in the First World War, and it was not intended as an epithet of respect. But it has turned out that it has a respectful connotation. When you are "brass" you are men of responsibility. It is your duty to have plans and to implement those plans, and to tell other people how to carry them out.

You know what makes leadership? It is the ability to get men to do what they don't want to do, and like it. And a good public relations man is always a good leader. It is not the martinets that make an army work, it's the morale that the leaders put into the men that makes an army work. And that is your job, and your business.

And I congratulate you on the ribbons that I see here before me. I wish I could sport some of them. I pinned a medal on General MacArthur the other day, and told him I wished I had a medal like that, and he said that it was my duty to give the medals, not to receive them. That is always the way. About all I receive are the bricks.

It's a good thing I have got a pretty hard head, or it would have been broken a long time ago.

I hope you have a most successful meeting here, and that you will work out a constructive program, and that you will support the universal training program which I have been working on ever since 1935.

Thank you very much.

NOTE: The President spoke at 10:40 a.m. at the Mayflower Hotel in Washington. His opening words "Mr. President" referred to Maj. Gen. Ellard A. Walsh, president of the National Guard Association. Later he referred to Paul H. Griffith, Assistant Secretary of Defense and former national commander of the American Legion. The 72d General Conference of the Association was held in Washington, October 23-25, 1950.

273 The President's News Conference of October 26, 1950

THE PRESIDENT. Please be seated. I have no special announcements to make this morning, but I will try, so far as I can, to answer questions.

[1.] Q. Mr. President, there is a report from Rio to the effect that there have been some diplomatic conversations regarding a possible visit to the United States of the apparent President-elect Vargas before his inauguration in January. Has that received your attention, or do you wish to comment?

THE PRESIDENT. It has not come to my attention as yet.

[2.] Q. Mr. President, now that the answer to the Bell report has been released, may we have the Bell report? ¹

THE PRESIDENT. I am very sorry that the purported answer to the Bell report has been released. As I told you last week, we were trying desperately to work out a practical approach to implementing the Bell report. And we can't do it in the newspapers, I am sorry to say. As soon as it is expedient, I will be glad to let you have the Bell report, but I can't do it now.

¹ On October 25 the Office of Public Information in Malacanang Palace, President Quirino's official residence, made public a statement credited to an unnamed Philippine commentator commenting adversely on the Bell Mission's findings. On October 27 President Quirino repudiated the statement and expressed his regrets to the U.S. Ambassador.

See also Items 180 and 238 [5].

[3.] Q. Mr. President, the Gray report ²—has that been received by you yet?

THE PRESIDENT. No. The Gray report is not ready yet. It has not been presented to me.

[4.] Q. Mr. President, do you care to comment on a story in the papers this morning that you might call Congress back on the 8th—no, the 12th—before the 27th of November?

THE PRESIDENT. There has been some discussion between one or two of the leaders—the Vice President particularly, and myself—on the advisability of calling them back, at least a week or 10 days before the date they set, because it only gives them about 2½ weeks of actual working time if they come back here on the 27th. I haven't come to a conclusion yet as to whether to call them back. I intend to consult with the congressional leaders and get their opinions on the subject, before a decision is reached. Just a matter of having a little more working time, that's all. They have quite a bit to do.

Q. Mr. President, at any rate, whatever your decision is, do you anticipate issuing the call before election?

THE PRESIDENT. The call will be issued when I make the decision, whether it is before or after the election.

² See Item 282.

[5.] Q. Mr. President, do you believe that Congress can enact a rent control law in that 2½ weeks?

THE PRESIDENT. Well, I don't know whether they can or not. There are other things that are just as important as the rent control law. The statehood for Alaska and Hawaii are vitally important, and then the excess profits tax is exceedingly important. I have a whole list of things that they will want to look into, and I will give you that list if I do decide to call them back.

Q. In that connection, Mr. President, can you say when you consider uncontrolled business rents an inflationary factor, and whether or not you plan to ask for rent controls on commercial properties?

THE PRESIDENT. I haven't gone into any details on that. I don't think I can answer that question intelligently.

[6.] Q. Mr. President, the delegates of the Inter-American Press Conference, who had expected to visit you, were in Washington during your absence. Did you have a chance to acquaint yourself with their work, or have you any ideas about their activities, which was to organize an inter-American press association—

THE PRESIDENT. I haven't gone into it, but I think it is a good idea.

[7.] Q. Mr. President, last night Harold Stassen, president of the University of Pennsylvania, said in a radio address that after the election the Truman administration plans to quietly embrace the regime of Mao Tse-tung, and to encourage the seating of Communist China in the United Nations. Do you have any comment, sir?

THE PRESIDENT. I wonder where he got his information? I believe he must have gotten that from Gabrielson.³ He didn't get it from me. [Laughter]

[8.] Q. Mr. President, from your reply

³ Guy G. Gabrielson, Chairman of the Republican National Committee.

I may be taking some risk in asking this question—[Laughter]

THE PRESIDENT. I don't know why.

Q. —but John Gunther has written an article, in which he said that General MacArthur knew nothing about plans for dropping the atomic bomb on Japan. Do you have any comment, or can you throw any light on that?

THE PRESIDENT. It just isn't true.

Q. Not true?

THE PRESIDENT. It's just not true.

Q. He did know?

THE PRESIDENT. Of course he did. He had to make the order. I gave the order to him and he gave the order to the men to drop the bomb. How do you suppose you transact business militarily? [Laughter]

[9.] Q. Mr. President, you sent Congress a memorandum connected with the dispersal of Government buildings in Washington, and since then, so far as I know, it has either been pigeonholed or nothing has happened. Are you satisfied with what is—

THE PRESIDENT. It is not pigeonholed. I will continue to press it. It is logical, practical, and should be done.

Q. You are not dropping it?

THE PRESIDENT. Not at all.

[10.] Q. Do you have any comment to make on the Philippine answer to the Bell report?

THE PRESIDENT. No comment. I have no comment.

[11.] Q. Mr. President, at Gordon Dean's press conference the other day, he was asked if we had any more evidence of Russian development of another atomic explosion since your last statement. I was just wondering if you would tell us anything? He referred the matter to you.

THE PRESIDENT. No, I don't know anything to tell you, so I can't tell you anything.

Q. You mean you have no further evidence?

THE PRESIDENT. No further information on the subject at all.

[12.] Q. Mr. President, may I ask another question?

THE PRESIDENT. Sure.

Q. As the United Nations forces seem to be very close to the Manchurian border, I wonder if you can say, sir, whether we plan to go directly to the border? There have been several reports that we might not go that far.

THE PRESIDENT. My understanding is that the Korean divisions will occupy the Korean border on the Korean side.

Q. Not the American troops?

THE PRESIDENT. No. That is my understanding.

Q. Does that apply also to the Soviet frontier—Siberian frontier?

THE PRESIDENT. It's the whole northern frontier of Korea.

[13.] Q. Mr. President, just to make that last question completely clear to us, does that mean that so far as our Government knows, there has only been one atomic explosion in Russia?

THE PRESIDENT. That is so far as I know. The one that was publicly reported.⁴ That's correct.

[14.] Q. Mr. President, the people of Holland are afraid for war. Would you know if this question is right—could you give an idea if they are in danger for this winter? Is it expected anything from Russia in the Western Europe?

THE PRESIDENT. No, we do not expect it.

Q. I didn't get that question.

THE PRESIDENT. He wanted to know if we anticipate trouble in Western Europe this coming winter, and I said we do not expect it.

[Pause]

⁴ For the statement by the President announcing the first atomic explosion in the Soviet Union, see the 1949 volume, this series, Item 216.

THE PRESIDENT. Well? Well? You are running dry? [Laughter]

[15.] Q. Mr. President, Bill Boyle yesterday said he had urged you very strongly to make some campaign speeches between now and election time, and he indicated you might tell us your plans this morning?

THE PRESIDENT. Well, to tell you the honest truth, I have been urged by the National Chairman—as he should—in an endeavor to do what I can to elect a Democratic ticket, to make some political speeches. I have not yet made up my mind to do it. Should I make up my mind to make one or two, I will give you plenty of notice so that you can pack your bags and do whatever is necessary.

Q. Well, Mr. President—

Q. Mr. President—excuse me—

THE PRESIDENT. What is it?

Q. —does that mean that if you do decide to make some political speeches that you might make them out of town?

THE PRESIDENT. No. No. I didn't mean to imply that. I have had under consideration seriously making just one, and possibly make that from here, but I haven't even made up my mind.

What is it?

[16.] Q. I just wondered where you would be on election day? I think that's a safe bet.

THE PRESIDENT. I will be in Independence, casting my vote.

Q. The confusion, Mr. President, was that you said something about packing our bags.

THE PRESIDENT. Well, you know, you fellows always want some excuse to go somewhere. [Laughter]

Q. I'll say, sir, after Wake Island, that I am satisfied to stay here. [More laughter]

THE PRESIDENT. I know you will pack your bags and go to Kansas City, because Barney Allis⁵ always feeds you.

⁵ Proprietor of the Muehlebach Hotel in Kansas City, Mo.

Q. Mr. President, on election day will you cast your vote and then come back here, or will you stay out there?

THE PRESIDENT. I will be back immediately—I will be back immediately. The family can't go. They are going to vote absentee. But I will go out there. I promised to go out there and accept for the city of Independence one of the Liberty Bells which a little village in France gave to the city of Independence.⁶ I will do that on the 6th and then return home on the 7th. You will have to get up early, if you want to see me. I shall vote and leave there.

[17.] Q. Mr. President, will you make your usual Monday night talk on the radio?

THE PRESIDENT. I don't think so.

⁶ See Item 281.

[18.] Q. Mr. President, will any reporters get a chance to go away—I wonder if we will have a chance to go to Key West in November?

THE PRESIDENT. I don't think there is a chance, because I can't leave here with Congress in session. Congress will be in session in November, at least we know on the 27th, and will be in constant session until just time to adjourn for Christmas, and I will have to be here for all that time. I am sorry to say we won't go to Key West, I don't think, this year.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and forty-third news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Thursday, October 26, 1950.

274 Letter to General Geoffrey Keyes, Retiring U.S. High Commissioner in Austria. *October 30, 1950*

Dear General Keyes:

Now that you have returned to your homeland, I wish to express my congratulations and my gratitude for the services you have rendered to your country as the United States High Commissioner to Austria. During a period of complex strains and vexing problems, you have displayed statesmanship of the highest order.

We now mark the point in the history of the Occupation of Austria at which the Department of State will assume the occupation responsibilities which have heretofore been exercised by the Department of the Army through you. This represents the climax of one of the finest chapters in the history of our Army—the chapter in which our soldiers, after carrying through to victory the battle against Fascism, turned to the tasks of peace and helped to rebuild a shattered world.

To you and to all the Army personnel who have worked with you, both in uniform and as civilians, our nation pays profound respect for the effectiveness with which you have handled the work of peaceful reconstruction and economic rehabilitation which, in large part, has been the American contribution toward the settlement of Austria's post-war problems.

Sincerely yours,

HARRY S. TRUMAN

[Lieutenant General Geoffrey Keyes, Department of the Army, Washington, D.C.]

NOTE: General Keyes was designated by the President to be United States High Commissioner on the Allied Council for Austria, effective May 17, 1947.

On October 12, 1950, the President signed Executive Order 10171 "Transferring Occupation Functions in Austria to the Department of State" (3 CFR, 1949-1953 Comp., p. 355).

See also Item 218.

275 Remarks in Arlington Cemetery at the Unveiling of the Statue of Sir John Dill. November 1, 1950

Mr. Ambassador, General Marshall, Mr. Chairman:

I welcome this opportunity to remind my countrymen that the maintenance of a perfect understanding between the people of Great Britain and the United States is of great importance to the peace of the world—it is of the greatest importance to the peace of the world.

This statue will stand as a memorial not only to a man but to a remarkable Anglo-American relationship that bore fruit in a great victory—a really great victory.

Now, if we can just win the peace in the same manner that we won that war, we can look forward to generations of happiness on this earth.

Field Marshal Sir John Dill died before I assumed the Office of President. I did not have the good fortune to know him personally. Our military leaders, however, made clear to me the tremendous service he rendered his own country and this country during the most trying days of the war.

He was a great Englishman, with a breadth of wisdom and a depth of understanding that transcended the boundaries of his own country.

The purity of his character, the directness of his purpose endeared him to all his American associates and inspired a real devotion to him and a complete trust in him. And that is the greatest thing that can come to any man, when he is completely trusted by his associates. We need more, these days, of that same high integrity—men who can command respect by their honesty and the

sincerity of their purpose.

It is important to the peace of the world that peoples understand each other and have full faith in each other's sincerity.

That is all we ask. That is all we want. We have no ambitions, only world peace.

Such men as this make it possible. This is particularly true in regard to the people of the United Kingdom and the people of the United States.

I pay tribute here today to the memory of a great man, and to the services he rendered to both our countries in the common struggle for a free and decent world.

NOTE: The President spoke at 3:20 p.m. in Arlington Cemetery. In his opening words he referred to Sir Oliver Franks, British Ambassador to the United States, and General of the Army George C. Marshall, Secretary of Defense. Lady Dill and her daughter, and Maj. John Dill, Sir John's son, were present at the ceremony.

A White House release dated October 27, 1950, stated that Field Marshal Sir John Dill was the former Chief of the Imperial General Staff of the British Army and Head of the British Mission to the Combined Chiefs of Staff in Washington during World War II. He died at Walter Reed Hospital in Washington on November 4, 1944, as a direct result of his war efforts, and on the following morning President Roosevelt awarded him posthumously the Distinguished Service Medal.

The release further stated that on December 20, 1944, the President approved a joint resolution recognizing Arlington National Cemetery as the final resting place for Sir John and resolving that the outstanding service he rendered to the United Nations be recognized by the American people and the Congress (58 Stat. 835). Shortly thereafter a group of distinguished officers and civilians formed a committee in order to erect a memorial to Sir John.

The release also noted that the bronze equestrian statue, which arrived by ship from Belgium on October 30, was the work of the American sculptor, Herbert Haseltine.

276 Statement by the President on the Death of
George Bernard Shaw. *November 2, 1950*

THE WORLD of letters has lost a pre-eminent figure in the death of George Bernard Shaw. As critic, essayist, and dramatist he

left the indelible print of his genius on a prodigious literary output during more than two generations.

277 Message to the Governor of Puerto Rico Regarding the
Recent Uprisings. *November 2, 1950*

PLEASE convey to the families of the members of the insular police and the National Guard killed or wounded in the criminal attacks on established authority during the past few days my deepest sympathy. Those who have died or suffered wounds in defense of law and order and of democratic government deserve the gratitude of the Nation no less than those who have died for the same great cause on the field of battle. I am glad to learn that the situation is now under control and that the insular authorities have

taken all necessary steps for the preservation of order.

HARRY S. TRUMAN

[Honorable Luis Muñoz Marín, Governor of Puerto Rico, San Juan, P.R.]

NOTE: On October 30, 1950, members of the Nationalist Party of Puerto Rico began a series of disturbances throughout the island in connection with the forthcoming referendum (see Item 278 [3]). The insular police and the National Guard brought the situation under control. As part of the same movement, two Nationalists attempted the life of President Truman (see Item 278 [4]).

278 The President's News Conference of
November 2, 1950

THE PRESIDENT [*in response to applause*¹]. I'm not running for anything. That would have sounded mighty good in 1948. [*Laughter*] Thank you.

I have got an announcement to make—two of them, in fact.

[1.] Mr. E. Roland Harriman will succeed General Marshall as president of the American Red Cross on December 1st, 1950.

General Marshall has served as head of the Red Cross since September 22, 1949, continuing as president after his appointment as Secretary of Defense.

¹On the preceding day two Puerto Rican nationalists had attempted to assassinate the President (see [4] below).

Mr. Harriman, who is a brother of Averell Harriman, Special Assistant to me, is a partner in the New York banking firm of Brown Brothers, Harriman and Co., and chairman of the board of directors of the Union Pacific Railroad.

He has been active in the work of the Red Cross for several years. During the war he was area manager of the North Atlantic area and afterward became a member of the board of governors. He is now vice chairman of the Red Cross. Mr. Harriman served as chairman of the committee on reorganization in 1947.

And by the way, General Marshall did a whale of a job in implementing that reor-

ganization plan presented for the Red Cross by the committee of which Mr. Harriman was chairman.

Now, I have copies of this for your use, after the conference is over.

[2.] I am announcing the appointment of the 24 members of the National Science Board of the National Science Foundation, established under authority of the National Science Foundation Act of 1950.

There will be a list of that, and there will be copies of that handed you as you go out. There are 24 of those members.

Now I will try to answer questions, if I can.

[3.] Q. Mr. President, when you went to Puerto Rico in 1948, you made a speech² in which you said something like this: I have said to the Congress several times, and I repeat it here, that the people of Puerto Rico should have the right to determine for themselves Puerto Rico's political relationships to the continental United States. Are those your sentiments now, sir?

THE PRESIDENT. Yes. They have never changed. You see, the Puerto Ricans are citizens of the United States, just the same as everybody else. They have freedom of movement all over the country. Anywhere they want to go they have got a right to go there, just the same as you have the right to go to California, or go to Puerto Rico yourself.

The Congress approved the Constitution for the Territory of Puerto Rico at this last session, and the Puerto Ricans are going to vote on Saturday. They seem to be very happily satisfied. I gave them the first native Governor that Puerto Rico ever had, and then we got a bill through Congress authorizing the election of the Governor by the people of Puerto Rico.

Now they are about to adopt a Constitution which will virtually put them on a state-

hood basis, except they won't have two Senators and Representatives in the Congress.

My position on the treatment of Puerto Rico has been exactly the same ever since I have been President—ever since I have been in the Congress.

Q. One point there, Mr. President. I think you gave them several alternatives—statehood, freedom, or—

THE PRESIDENT. The present thing that they are trying to do—

Q. —independence?

THE PRESIDENT. —and I have decided to adopt this. That is their business, though. Whatever they want to do is all right with me.

[4.] Q. Mr. President, back in 1933 when President Roosevelt was shot at, a lot of reporters were caught off base on the train and didn't get to cover the story; and the President came back to the train, and he dictated to them his own account of the shooting. A lot of us weren't in front of Blair House yesterday³—

THE PRESIDENT. Well now, I'll tell you—I tell you what you had better do. Why don't you take all the papers, like the New York Times, and Herald-Tribune, and Washington Star, and the Washington Post, and even the sabotage sheet, the Times-Herald—[laughter]—and read the Daily News today. You'll find out everything you want to know on the subject.

Q. And the news services, Mr. President?

THE PRESIDENT. And the news services,

² On November 1 Oscar Collazo and Griselio Torresola, members of the Nationalist Party of Puerto Rico, attempted to assassinate President Truman in front of the Blair House in Washington. Torresola was killed in the attempt, and Collazo was seriously wounded and captured.

Pvt. Leslie Coffelt, a White House guard, was shot and killed by the assailants. Two other White House guards, Pvt. Joseph Downs and Pvt. Donald T. Birdzell, were wounded in their efforts to protect the President.

See also Item 277.

³ See 1948 volume, this series, Item 35.

that's right. [*More laughter*] I am not going to have any—there's no story so far as I am concerned. I was never in danger. The thing I hate about it is the fact that these young men—one of them killed, and two of them badly wounded. It's all so unnecessary for a thing like that to happen.

[5.] Q. Mr. President, if we are through with yesterday, may I go back to last Friday?

THE PRESIDENT. Sure.

Q. The Los Angeles city council last Friday adopted a formal resolution asking you to direct Tighe Woods⁴ to decontrol rents in Los Angeles. That was sent to the White House last Monday. Have you considered that, or has it been—

THE PRESIDENT. I have considered it, and intend to take no action whatever on it.

Q. No action?

THE PRESIDENT. No action whatever on it. In fact, I have directed Tighe Woods to do nothing about it. The rents ought not to be decontrolled in Los Angeles, if you want to know what I think about it.

[6.] Q. Mr. President, do you wish to comment on the visit of Mr. Nelson Rockefeller in your office a day or two ago?

THE PRESIDENT. Yes. I asked him to become the director of the implementation of the point 4 program,⁵ and he said he would be most happy to do it. He has actually been putting point 4 in operation down in South America, and done a wonderful job down there.

[7.] Q. Mr. President, have you under consideration an appointment for Paul Hadley as an assistant to the Attorney General?

THE PRESIDENT. Paul who?

Q. Paul Hadley.

THE PRESIDENT. No, I don't think so—I haven't heard of him. [*Laughter*]

[8.] Q. Mr. President, reverting to my

question, does that mean that he is operating head, or head of the advisory committee, or is there any title—

THE PRESIDENT. The matter has not been completely set up yet. It hasn't any title, but he is going to be the—you might call him the managing director.

Q. Well, Mr. President, what will his position be in relationship to Ambassador Waynick,⁶ who is doing that work now?

THE PRESIDENT. We will work that out. I can't answer those questions in detail, but the thing will be worked out all right. There won't be any disagreement.

[9.] Q. Mr. President, do you intend to take any action to reappoint Governor Stainback as Governor of Hawaii?

THE PRESIDENT. No, I haven't taken any action on it.

[10.] Q. Mr. President, will you call Congress back before the 27th of November?

THE PRESIDENT. I am considering the matter now, and discussing it with Members of the Congress itself, and I can't give you an answer on that until I have reached a decision on it. I have been discussing it with various Members of Congress all over the United States, and with what you call the Big Four, and also some of the minority Members, and I can't answer the question at this date.⁷

[11.] Q. Mr. President, do you intend to take any action on the Bell report regarding the Philippines?⁸

THE PRESIDENT. I think the Bell report speaks for itself, and we are going to try to implement it with the cooperation of the

⁶ On November 25 the White House released the text of the President's letter to Capus M. Waynick upon his retirement as acting administrator of the point 4 program. Mr. Waynick returned to his post as United States Ambassador to Nicaragua.

⁷ The 81st Congress reconvened on November 27, 1950.

⁸ See Items 180 and 238 [5].

⁴ Housing Expediter.

⁵ See Items 289 and 294.

President of the Philippines. He seems to be very happy over it.

[12.] Q. Mr. President, what is your latest prediction on next Tuesday?

THE PRESIDENT. Oh, I think I made that prediction some time ago. I haven't changed my mind, and the thing is getting better all the time.

I want to call to the attention of that Los Angeles gentleman back there that there has been a lot of rumors on that rent proposition, and there has been a lot of misrepresentation of Mrs. Douglas⁹ in the press in California. Whenever they mention her—although they boycott her most of the time—they mention her in an unfavorable manner. They have got out rumors now that she is not wholeheartedly in favor of the foreign policy that is being pursued by the President of the United States.

She is a member of the Foreign Affairs Committee in the House of Representatives, and is one on whom we depend very much for the legislation which has to be put through the House of Representatives. She is wholeheartedly in accord with the President's foreign policy, which is more than can be said for most California papers. [Laughter]

[13.] Q. Mr. President, is there anything you can say about the mechanics of the further investigation of yesterday afternoon's

⁹ Representative Helen Gahagan Douglas of California, Democratic candidate for the United States Senate.

event? Is that in the hands of the Secret Service entirely?

THE PRESIDENT. That is being handled in the manner in which it should. The Secretaries of the Interior and the Treasury, and the Attorney General, are in complete accord on the handling of it, and I don't want to discuss it, Bob.¹⁰

Q. Yes sir.

[14.] Q. Mr. President, have you decided on the appointment of an Ambassador to Spain?

THE PRESIDENT. I have no thoughts on that idea at all. It is going to be a long, long time before there is an Ambassador to Spain, and you will have plenty of time to think it over. [Laughter]

Q. Is that your comment on the action of the United Nations which¹¹—

THE PRESIDENT. No comment.

Q. Is that your comment—I say, is that your comment—

THE PRESIDENT. No comment on the action of the United Nations at all.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and forty-fourth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, November 2, 1950.

¹⁰ Robert G. Nixon of the International News Service.

¹¹ On November 4, 1950, the United Nations General Assembly adopted a resolution which supported Spain's membership in the United Nations. The text of the resolution is printed in the Department of State Bulletin (vol. 23, p. 772).

279 Address in Kiel Auditorium, St. Louis.

November 4, 1950

THANK YOU. Thank you very much. I can't tell you how much I appreciate this reception, but you know, this radio time, I am told, is being paid for by the National Democratic Committee at so much a minute,

and I want to get the full benefit of it.

This reminds me of another meeting we had here in 1948. If I remember correctly, that was on the Saturday night before election, too. If I remember correctly, we had

just such an enthusiastic audience as this right here.

When we met here in 1948 the Democratic Party was on its way to victory. Tonight the Democratic Party is on its way to victory again.

Here in Missouri we are going to elect Tom Hennings to the Senate; and we are going to send a Democratic delegation to the House of Representatives from Missouri.

You know, I had hoped to make some speeches in this campaign of 1950. I believe the President and the Vice President have a special duty to report to all the people. They are the only officials who are elected by the whole country.

But this year the critical international situation has made it impossible for me to go out and take part in this great debate that our Constitution provides for every 2 years. So I have had to leave my share of the campaigning to the other member of our team, Vice President Barkley.

He has done a magnificent job. Alben Barkley is a great American who has fought all his life for the welfare of the people.

This is my only opportunity to speak to the American people in this campaign. I intend to tell you exactly what the issues are in this election.

[At this point someone in the audience shouted, "Give 'em hell, Harry!" The President then resumed speaking.]

I'm going to! I'm going to tell you the truth. The truth has been pressed to earth in this awful mudslinging campaign. But truth crushed to earth will rise again, and the people aren't going to be fooled by this mudslinging outfit.

The Congress we elect next Tuesday will have to make decisions that will determine the kind of world we and our children are going to live in for years to come.

It is difficult for us to realize the responsi-

bilities of the Government of the United States in the world today. In one generation we have come from an isolated country—which considered itself entirely safe with an ocean on each side—to a position of world leadership. As the most powerful nation in the world, we have to assume world responsibilities—responsibilities that go with that great power.

Since I became President in 1945, I have worked constantly for world peace. World peace is my greatest ambition. And, with God's help, I think we are making progress toward that goal.

This Nation has never done anything more important for peace than it did this summer when we took the leadership in the United Nations to put down aggression in Korea.

Even though some hard fighting still lies ahead, our men have already won a tremendous military victory in Korea. But they have done a great deal more than that. They have brought about a moral and spiritual revival among all men who seek freedom and peace. By their sacrifices, they have brought new life and strength to the United Nations.

I believe that this is the greatest step toward world peace that has been taken in my lifetime—and I am 66 years old.

I believe with all my heart that in this year of 1950 our Nation—the greatest Republic the sun has ever shone on—has taken the road the Lord meant us to take 30 years ago.

In 1920 we took the wrong road—the road away from peace. That was when the isolationists kept us out of the League of Nations. But we are on the right road now—the road of cooperation between free nations. And we must stay on that road.

I have tried my best to keep our national efforts for peace out of partisan politics. Some Republican leaders have joined with me in maintaining a bipartisan foreign

policy. But other Republicans have tried to make foreign policy a partisan political issue.

There are some isolationists running for office in this election—and one of them is right over here in Illinois. They have dragged our foreign policy into politics. They want us to shut ourselves off from the rest of the world and abandon our friends and our allies.

[At this point someone again shouted, "Give 'em hell, Harry!" The President then resumed speaking.]

All right! I'm doing it!

Any sensible man knows that such a course would be an open invitation for Communist imperialism to gobble up the rest of the world. Now, if that should happen, the United States would be left alone to face the threat of Communist aggression. And the forces of communism would have the manpower and resources of all of Europe, Asia, and Africa to use against us.

That is the kind of disaster the isolationists would lead us into. A vote for isolationism in this election would be a vote for national suicide. This is the time to stand up and let the whole world know that we are going to stick to the other free nations in the struggle against communism.

Now, isolationism is one of the main issues in this election.

The other main issue is whether this country is going forward here at home toward greater strength and prosperity. Only if we are strong and prosperous at home, can we do our part to bring about world peace.

During the last 17 years the Democratic Party has led this country to the greatest period of prosperity the world has even seen.

The Republicans have fought us every step of the way. But we won those fights, and today the United States stands free and strong because we did win them.

Take the case of the farmer.

In 1932 the farmers of this country were just about flat on their backs. Corn was selling at 15 cents a bushel—and I sold some at that price—and cotton at 5 cents a pound. Farm mortgages were being foreclosed right and left, and farm families were being thrown off their land.

The Republican Party either didn't know how to remedy this situation or it didn't care what happened to the farmers.

The Democratic Party changed all that.

We saved the farmer's land and the farmer's home.

We brought back good prices for farm products.

Through rural electrification, we brought electric power to the farms and eased the burden of the farm wives.

Then came the 1946 election, when two-thirds of the people stayed at home and didn't vote. As a result we got that Republican no-good, do-nothing 80th Congress, about which I told you in 1948.

Right away the Republicans began to tear down what we had done for the farmer.

They cut the soil conservation program and tried to weaken the farmer committee system. They attacked the price support program. They cut down the authority of the Commodity Credit Corporation to store grain. In 1948, for this very reason, many farmers were forced to sell corn at 40 or 50 cents less than the support price.

The people saw that the Republican Party hadn't changed a bit. It didn't care what happened to the farmer. So the people threw the Republican no-good, 80th Congress out. I might say the people kicked that no-good, do-nothing 80th Congress out of office, and I helped them to do it.

The Democratic 81st Congress repaired the damage the Republicans had done. We restored the power of the Commodity Credit Corporation to store grain. We started a rural telephone program. We strengthened

the soil conservation program and the price support program.

Today farms and farm people are strong and prosperous. And because farmers are better off, why the whole country is better off.

But the Republicans say: "Vote for us again. Vote us back in," they say. "Vote us back in so we can save you from this terrible Democratic farm program that has made you farmers so prosperous."

I said in this hall in 1948 that any farmer who votes for the Republican Party is voting against his own interests—and he ought to have his head examined. That is just as true now as it was true then, and any farmer who does vote that way should and will have his head examined; you can be assured of that.

Now the same thing is true of the workingman.

In 1932 unemployment rose to more than 15 million. Wages were low. Labor was disorganized. The Democratic Party set out to help the workers. In spite of the bitterest kind of Republican opposition, the Democratic program went through. And as a result, the working people of this country got better wages, a higher standard of living, and social security.

Then came along that no-good Republican 80th Congress again. And they started out to tear down the progress we had made.

They took away social security from nearly a million people.

They started to destroy the unions through the infamous Taft-Hartley law.

They were on the way back to the conditions the special interests like—low wages, unemployment, weak unions.

But the people found out what they were up to, and elected a Democratic Congress. And the Democratic 81st Congress set out to correct the damage the Republicans had done in their short 2 years.

The 81st Congress raised the minimum

wage from 40 cents an hour to 75 cents an hour.

The 81st Congress put a stop to the Republican effort to undermine the labor unions. And just as sure as I am standing here, we are eventually going to get rid of the union-busting provisions of the Taft-Hartley Act.

The Democratic 81st Congress broadened social security to cover 10 million more people. We raised social security benefits by 77 percent.

Today labor is a responsible and prosperous element in our community and our national life. And because workers are better off, the whole country is bound to be better off.

Now the Republicans would like to get back in. I don't blame them for that. But what are they offering labor?

Just to be frank with you, I don't know. I think they have about given up talking to the workingman. They know that no matter what they say, nobody is going to believe them—the Republican record on labor is as plain as the nose on your face; it's no good, just as their farm record is no good.

Now I have got something most interesting to talk to you about. Let's take the Republican record on business.

For a long time now the Republican Party has been claiming that it is good for business. There is no evidence to support this claim, however. I am getting sick and tired of it. The special interests are just as bad for business as they are for the rest of the country.

Back in 1933, business turned to the Democratic Party and cried, "Save us!" And we did save them.

In 1932 the corporations of this country were \$3 billion in the red. They had \$3 billion less than nothing, and they had to borrow money to pay it. Under the program of the Democratic Party, corporate

profits had increased to \$23½ billion by 1946, which was \$26½ billions more than it was in 1932.

Then along came the Republican no-good 80th Congress and the special interests. And they tried to please the real estate lobby, and the oil lobby, and all the other lobbies. And they passed a rich man's tax bill. I vetoed that bill three times, and then went out and ran for office in 1948, and got elected because I did—the first time in history that a man ever vetoed a tax bill and got elected.

By the end of the 80th Congress business was headed for trouble again, just as it always is when the special interests are in the saddle.

The Democratic Party and the 81st Congress put a stop to that.

We got the economy of the country back on the right track.

And today business is better off than it ever was in the history of the country. The Democratic Party has been the salvation of free enterprise in this country, and don't let anybody tell you anything different.

I ran across something in Time magazine—you know, Time magazine is not fond of the Democrats. And it was talking about a quotation from the Wall Street Journal, and it says:

"Under two waves of heavy selling in one day last week, the New York stock market suffered its worst drop in 15 weeks. . . . As usual, Wall Street had no explanation for the break, other than such old standbys as 'profit taking, the Korean situation, and fear of more taxes, etc.' But the Wall Street Journal made a valiant try to find something. The trouble was that business was too good. . . . In short, there were so many good buys that investors simply couldn't make up their minds just how to spend their money"—which they had made under a Democratic administration.

The story has been the same in every phase of our national life.

The Republicans have fought every great progressive measure that has been adopted for the good of the people in the last 17 years.

And they are just the same today as they always were. I am telling you they haven't changed a bit.

Now the Republicans are facing an impossible task. They are trying to win an election with a record they are ashamed to admit, and a program they want to conceal—and I don't blame them for that.

What the Republican leaders really want to do is put a stop to the New Deal and the Fair Deal. They want to turn the country over to the special interests to run as they please. But, of course, the Republicans don't dare tell the people that.

So they have been trying to scare the people—to scare them so they will forget the terrible record of the Republican Party.

As usual they are trying to scare us by saying that the country is on the brink of disaster—that the end is in sight. But nobody is going to fall for that line of tommyrot at a time when the country is more prosperous than it has ever been before and when 62 million men and women have jobs.

As usual the Republicans are trying to scare us by saying that the country is on the last mile to socialism. Well, what a long last mile that must be. According to the Republicans we have been travelers for 12 years, and we haven't got there yet. Private corporation profits are now running at a rate of more than \$40 billion a year, and there are more private business enterprises than ever before in the history of the country. Nobody but an office-hungry Republican politician would call that socialism.

Now, some—*some*—I emphasize the *some*—some of the Republicans have now got so desperate they are saying that the

Democratic Party is communistic. That is the craziest idea of all they have put out yet.

It is our party—the Democratic Party—that has done more to defeat communism in this country than any group, public or private.

It is our party—the Democratic Party—that saved free enterprise after 1932—when communism was feeding on the misery and despair created by 12 years of Republican misrule.

It is the Democratic Party that has prosecuted communism under the law, and now has the Communist leaders on the way to jail.

It is the Democratic Party and the Democratic administration that has strengthened and united the free nations of the world to stand up and fight against communism—to stand up and fight in Korea, and to win a smashing victory over Communist aggression.

None of these plain facts has any effect on certain vote-hungry Republican politicians. They just go right on with their campaign lies that have no foundation in fact.

Of course, they don't believe it themselves. They are just trying to get votes. But this effort of theirs to get votes is being made at a terrible cost to the country.

These Republican politicians have maliciously and falsely made charges of disloyalty against some of our finest and ablest public servants—in Congress and in the executive branch of the Government. These Republican politicians have been willing, in their desperate pursuit of this false issue, to undermine their own Government at a time of great national peril. They have been willing to destroy the United Nations. They have attacked the bipartisan foreign policy. They have lost all proportion, all sense of restraint, all sense of patriotic decency.

I say to you—I want you to remember

this—I say to you, and I say it emphatically, that politicians who are willing to do that—politicians who are willing even to condone such disgraceful acts—are not to be trusted with high public office.

But, my friends, there are in the Republican Party many honorable men and women who oppose this shameful course. I honor them for that, and I will continue in the future as I have in the past to work with those Republicans who have the best interests of our country at heart.

I honestly believe that the rank and file of the Republican Party must be ashamed of the reckless tactics of some of their leaders, and I believe they will repudiate them at the polls.

The American people are not going to be fooled. The American people know the Republican Party has been taken over by the special interests. They know the Democrats are the party of the people.

Now I promise you that the Democratic Party is going right on working for the people—for all the people.

We are going right on working for farm prosperity—and for a system of marketing farm products that will stabilize farm income and give the consumers the benefit of abundant production, without waste.

We are going right ahead working for a fair labor law.

We are going right ahead working for better education and better health—including a workable health insurance system to help people pay their doctors' and hospital bills.

We are going to work for these things for all our citizens, without discrimination on account of race, creed, or color.

The American people will continue to move forward—a mighty force—toward peace and progress. No little group of special interests or selfish politicians is going to be able to stop us.

This is a government for all the people, and we are going to keep it that way.

Now, to do that, every citizen must do his part.

And so I say to you tonight: go to the polls next Tuesday and vote. Vote for yourselves; vote for your future; vote for your children's future. Vote for progress and prosperity in

the United States. Vote for peace throughout the whole world. Just go to the polls and vote the Democratic ticket.

NOTE: The President spoke at 9:04 p.m. at Kiel Auditorium in St. Louis. During his address he referred to Thomas C. Hennings, Jr., Democratic candidate for Senator from Missouri. The address was carried on a nationwide radio and television broadcast.

280 Remarks in Independence at the Liberty Bell Luncheon. *November 6, 1950*

Mr. Secretary of the Treasury, Mr. Mayor, Mayor Weatherford, and distinguished guests and friends:

I have been looking around over this meeting, and I think I could almost call every one of you by your first name, and tell nearly every one of you just how old you are. Some of you wouldn't like that, I'm afraid.

It is a pleasure to be here. I appreciate most highly the action of the Eagles in what they have done. It is a wonderful thing, and I will see if I can't get the arrangements made so that it will do the most good.

You can't understand just how a man feels when somebody else dies for him. I have got the greatest bunch of people in that line that anybody ever had. They do their duty—and that was amply demonstrated.

I am more than pleased to see all of you, you to help accept this memento from the French people and the city of Annecy. I know that we will always look at it with pleasure, and remember what it stands for. It stands for what we believe in, the right of the individual to life, liberty, and the pursuit of happiness, as set out by Thomas Jefferson in the Declaration of Independence. We have not varied from the dogma since it was written. We are trying now to get that right to life, liberty, and the pursuit of happiness for everybody in this world.

We have attained the position which no other country in the world has ever had. We have not yet accepted the full responsibility of that position because it is new to us. We are really a young nation, as generations count, but we are coming into our responsibility. You know, with great power goes great responsibility. We must exercise that responsibility along with the power that the Lord has given us, or we neglect to do what we are intended to do. We ran out on that responsibility in 1920. We can't do it this time, and we are not going to.

I am more than pleased to see all of you, and to be with you. I wish I could sit down and talk to every one of you. I see Democrats and Republicans and whatnots and everybody else here. I wish I could just talk with you about 15 minutes, I think I would get you all to vote the Democratic ticket.

We are going to have another meeting in a few minutes, and you will then have to listen to set speeches by the Secretary of the Treasury and the President of the United States, which will be broadcast to some 60-odd countries. You will be the center of the world here for about half an hour directly, and I hope that you won't be too entirely bored by what the Secretary of the

Treasury has to say, but I am going to make you a good speech.

NOTE: The President spoke at 1:32 p.m. in the Laurel Club Dining Room in the Auditorium, World Headquarters Building for the Reorganized Church

of Jesus Christ of Latter Day Saints in Independence, Mo. In his opening words he referred to John W. Snyder, Secretary of the Treasury, Georges Volland, Mayor of Annecy-le-Vieux, France, and Robert P. Weatherford, Jr., Mayor of Independence.

See also Item 281.

281 Address in Independence at the Dedication of the Liberty Bell. November 6, 1950

Mr. Secretary of the Treasury, Mr. Mayor of Annecy, Mr. Mayor of Independence, my good friends:

This is a great, great day for Independence. You know, I went to Sunday school right across there—the first time in my life, a long, long time ago, and in that Sunday school class I met a little, blue-eyed, golden-haired girl—my first sweetheart. Her eyes are still blue, but her hair is no longer golden; it's silver—like mine. And she is still my sweetheart.

I was graduated from high school right here on this corner, and the motto of that high school was "Youth, the Hope of the World."

You are still the hope of the world, and will always be.

I am glad to be with you today, and to join in accepting this Liberty Bell.

This bell comes to the people of Independence as a gift from the people of Annecy, France. Annecy is a city in eastern France, near the Alps. It is not far from the Vosges Mountains, where the 129th Field Artillery—in which I had the honor of serving—fought in the First World War, and where a good many American boys fought in the Second World War. In both those wars the people of the United States and the people of France fought on the same side—on the side of freedom and liberty.

Today the people of France and the people of the United States are still on the same side—on the side of freedom and liberty.

This freedom we believe is symbolized by this bell.

This bell is an exact replica of the Liberty Bell in Independence Hall in Philadelphia.

When the Liberty Bell rang out in Philadelphia in 1776, the men who heard it had just pledged their lives, their fortunes, and their sacred honor in the cause of freedom. They were willing to fight for the right to live as free men. They were not afraid to stand up to tyrants and say: we are going to govern ourselves.

The spirit of the American Revolution has guided this Nation ever since 1776. We have continued to work—and to fight when necessary—for the revolutionary principles of human freedom and political equality.

Those principles are the hope of the world today. Men all over the world are eagerly striving for freedom and the right to govern themselves. And we in the United States are strongly supporting them—because that is the best road to peace.

Other nations, too, have fought for freedom. A few years after our own Revolution, the French Revolution was fought to overthrow a tyrant and establish a government of the people.

Today France and many other free nations are joined with us to work for peace based on freedom and justice.

I have been very much interested in the proposal made by the French Foreign Minister, Mr. Schuman, for pooling coal and steel production in Western Europe. I hope very

much that this plan can be worked out along the bold lines proposed by that French Foreign Minister, Mr. Schuman.

Today the nations and peoples who believe in freedom face a bitter enemy. We are confronted by Communist imperialism—a reactionary movement that despises liberty and is the mortal foe of personal freedom. The threat of Communist aggression is a continuing menace to world peace.

We are meeting that threat in the only way it can be met—by building up the combined strength of the free world. The free nations must stand together and help one another, if freedom is to survive.

Our objective is to achieve a peace based on agreement among nations. And this is what the United Nations is working for.

The United States stands today, and always has stood, for the settlement of differences among nations by peaceful means. I am convinced that most of the nations and other countries in the world stand for that same thing.

But there are some nations in the world who will not have it that way. The leaders of Communist imperialism have chosen to follow the path of aggression. Through threats and through the use of force, they are seeking to impose their will upon peoples all over the world.

So long as they persist in that course, the free nations have but one choice if they are to remain free. They must oppose strength with strength.

The free nations are doing this. They are joining together to build up common defenses against the menace of Communist aggression. This work is going forward on many fronts.

The determination of the free nations to pool their strength against aggression has been shown in Korea.

Korea is proof that freedom can survive if the peoples who cherish it stand together.

The common victory against aggression in Korea is evidence that the free nations will not let Communist imperialism swallow up the free peoples one by one.

But the common defense of the free nations is much more than a military matter. It is also a matter of building up economic strength and upholding spiritual values.

This is the true basis of the strength of the free world. Men who know freedom in their daily lives are willing to work for it and are willing to fight for it.

A free country is one in which people control the government in the interest of a better life for everybody. In the words of the Declaration of Independence, it is a country in which the government seeks to secure for its citizens "life, liberty, and the pursuit of happiness."

Freedom has never been an abstract idea to us here in the United States. It is real and concrete. It means not only political and civil rights; it means much more. It means a society in which man has a fair chance. It means an opportunity to do useful work. It means the right to an education. It means protection against economic hazards.

We have done a lot in this country in the last few years to give new meaning to this concept of freedom.

We have put our agriculture on a stable basis, so that farm life is no longer a desperate struggle to produce more and more crops for less and less money.

We have brought a new element of democracy into our industrial life through collective bargaining.

We have established a basic security against unemployment and old age.

We have preserved and developed our natural resources for the benefit of all the people.

These things have given meaning—a down-to-earth meaning—to our concept of freedom.

There are some people who will tell you that freedom is endangered by farm programs, or by the public development of natural resources, or by social security, or by health insurance. Those people are wrong. They are just as wrong now as they always have been. Such things bring justice and opportunity into our economic life. They are the reason why our country is stronger and more prosperous today than it has ever been before in our history.

If our people are healthy, well-educated, energetic, and confident of the future, our country will be able to accomplish the great tasks ahead of it. So long as the people of the United States know and understand freedom in their daily lives, our ability to defend it at home and throughout the world will never weaken.

If we are to enjoy and defend our freedom at home, we must exercise our right to vote. No democracy will long remain effective if its citizens do not take an active part in the government. And our country is no exception.

And yet, in the last 50 years, there has been a steady drop in the percentage of eligible voters in the United States who go to the polls and vote on election day. It is a disturbing thing that only about one out of three eligible voters took the trouble to vote in the last midterm election in 1946.

Our friends who sent us the Liberty Bell today, the people of France, know how important it is to vote. In the last general election in France, nearly 80 percent of the eligible voters of France went to the polls.

Voting is not only a right; it is a duty—a serious patriotic duty. And I hope that every eligible voter in the United States will go to the polls tomorrow, and make certain that his family and his neighbors go to the polls, too.

We in our generation must not slip backward in our devotion to liberty.

Written around the crown of this bell are the words, "Proclaim liberty throughout the land and to all the inhabitants thereof." Those words are 2,500 years old. I learned the first line over there in that Presbyterian Church. They come from the Bible. They reflect a deep belief in freedom under God and justice among men—a belief which is at the heart of what the Bible teaches us.

Our concept of freedom has deep religious roots. We come under a divine command to be concerned about the welfare of our neighbors, and to help one another. For all men are the servants of God, and no one has the right to mistreat his fellow men.

This concept of freedom is enshrined in our own Revolution and in our Government. We are trying to live up to it today, at home and in all our dealings with other nations.

We have given of our resources and of our aid, in this time of stress and peril, to other nations who believe in freedom as we do. This aid is given to help these nations grow strong in freedom and to advance our common ideals. Some of this aid has gone to France—and to the people of Annecy, who made this bell.

And they, the people of Annecy, have given this Liberty Bell to us as a symbol of the great fellowship of freedom.

The fellowship of freedom is growing. It stands firm against the false prophets of communism, who represent not brotherhood, but dictatorship—not progress, but reaction.

The fellowship of freedom will prevail against tyranny, and bring peace and justice to the world. For freedom is the true destiny of man.

NOTE: The President spoke at 2:47 p.m. from a stand in front of the Memorial Building in Independence, Mo. In his opening words he referred to John W. Snyder, Secretary of the Treasury, Georges Volland, Mayor of Annecy-le-Vieux, France, and Robert P. Weatherford, Jr., Mayor of Independence. The address was broadcast.

Fifty-three bells were cast and presented to each of the 48 States, the Territories, and the District of

Columbia. They were used as the symbols of the United States Savings Bonds Independence Drive held May 15-July 4, 1950. The bells were cast in

Annecy-le-Vieux, France, a small village located 2 miles from the city of Annecy.

See also Item 280.

282 Statement by the President in Response to the Gray Report on Foreign Economic Policy. *November 12, 1950*

THE FOREIGN economic policy of the United States is of key importance in influencing the course of world events. It is one of the central instruments with which we can meet the present world crisis and through which we can promote the security of the United States as part of a free world. Since the ending of World War II, we have come increasingly to realize that our foreign economic policy must be worldwide in concept, that its many parts must follow a single broad stream of direction and purpose, and that it must be continuously adapted to changing circumstances both at home and abroad.

For those reasons, last March I asked Mr. Gordon Gray, upon his resignation as Secretary of the Army, to study the whole complex of our foreign economic relations and to develop appropriate recommendations designed to "assure ourselves that our own policies are those which will serve best to reinforce our economic strength and that of the other free nations of the world." Mr. Gray's work was in full swing when outright Communist aggression in Korea demonstrated to the free world the urgency of a more rapid increase in its military power. The expanding rearmament programs of the United States and other free nations, while not basically altering our long-term objectives, created major changes in the immediate outlook for the world economy. Mr. Gray and his staff, therefore, have recast their work to take account of the changed outlook.

The report now submitted by Mr. Gray represents a comprehensive analysis of the whole range of foreign economic problems

facing the United States. Behind the report lie many months of intensive labor by Mr. Gray himself, his immediate staff assistants, and a large number of consultants in all walks of private life and in the many governmental agencies concerned with these problems. The Nation is indebted to Mr. Gray and his associates for their fine response to a most challenging and difficult assignment. The report deserves the attention and study of all citizens.

The guiding concept of Mr. Gray's report is the unity of foreign policy in its economic, political, military, and informational aspects. Our national security can be assured only through effective action on all these fronts. I fully endorse Mr. Gray's statement on the basic objectives of our foreign economic policy. In his words:

"The objective of our foreign economic policy has been and is to encourage among the nations of the free world those economic conditions and relationships essential for the development of stable democratic societies willing and able to defend themselves and raise the living standards of their peoples. These objectives are to the benefit of all peoples; their national interests are bound up with our national interests; our security and well-being are clearly connected with their security and well-being. Neither we nor they can live alone or defend ourselves alone. This fundamental unity of interest underlies our efforts both to achieve long-term progress and also to meet the immediate necessities presented by Soviet aggressive designs."

Mr. Gray's report should be of great value to the Congress and the executive branch in

developing specific measures to further these objectives. Certain of Mr. Gray's recommendations call for a followthrough on present lines of action, notably in the development of an integrated program for the defense of the North Atlantic Treaty area, and in the promotion of sound commercial and financial relationships among free nations.

In other respects Mr. Gray has recommended changes in existing policy to meet emerging problems of our foreign economic relationships. This is particularly the case with respect to underdeveloped areas and economic development programs.

I recently announced my intention to appoint Mr. Nelson Rockefeller as chairman of the advisory board created under the new Act for International Development to advise and consult "with respect to general or basic policy matters arising in connection with operation of the program." I am asking

Mr. Rockefeller to have this board, as its first task, consider Mr. Gray's proposals concerning our policy toward the underdeveloped areas in the context of the full report, in order that this board will be able to give us its views early in the coming year on the types and size of programs which it considers desirable for the United States to undertake in this field.

Meanwhile, the various executive agencies concerned will draw fully on Mr. Gray's report, and on the background studies underlying it, in developing appropriate administrative action and legislative recommendations in the whole area of foreign economic policy which is so crucial to our national security.

NOTE: The report, dated November 10, 1950, is entitled "Report to the President on Foreign Economic Policies" (Government Printing Office, 1950, 131 pp.).

See also Item 81.

283 Letter to the Chairman, Civil Service Commission, Upon Signing Order Establishing Special Personnel Procedures in the Interest of the National Defense. *November 13, 1950*

My dear Chairman Mitchell:

I have today signed an Executive Order, "Establishing special personnel procedures in the interest of the national defense."

Under this Order and under the Civil Service laws and rules the following should be provided:

(1) Competitive examinations should be utilized to establish registers of eligibles for appointment where in the opinion of the Commission the number of qualified applicants for positions of a particular type is adequate; where the Commission determines that there are for a given type of position an inadequate number of qualified applicants, the Commission should, for such time as it

deems necessary, authorize noncompetitive examination procedures, subject to such limitations and minimum recruitment standards as the Commission may prescribe.

(2) To the maximum extent feasible examinations should be held open on a continuous basis so that qualified persons may compete for appointment at any time.

(3) The Civil Service Examining Boards and Committees should be given the fullest possible authority and utilized to the maximum; new boards and committees should be liberally authorized whenever the defense program will be speeded.

(4) Examining and certifying procedures should be constantly reviewed to devise ways

to make them suitably flexible for the employment conditions encountered.

(5) The release of employees from permanent positions for employment in national defense activities and their subsequent reemployment in permanent positions when their services are no longer needed in those activities, should be governed by a single set of standards and conditions so that employees of all agencies, whether or not subject to the Civil Service laws, shall be treated alike.

(6) The Civil Service Commission should coordinate the civilian recruiting efforts of the Executive Branch agencies during the

effective period of the Executive Order.

I am sure that all departments and agencies will cooperate to the fullest extent with the Civil Service Commission in carrying out its responsibilities under this Order and in its efforts to see that the highest possible recruitment standards are maintained.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Harry B. Mitchell, Chairman, United States Civil Service Commission, Washington 25, D.C.]

NOTE: The President referred to Executive Order 10180 (3 CFR, 1949-1953 Comp., p. 363).

284 Letter to Committee Chairmen on Taxation of Excess Profits. *November 14, 1950*

My dear Mr. Chairman:

I am very glad that the Committee on Ways and Means is returning to Washington to expedite the next step in the tax program required for our increased defense effort.

After the communist aggression in Korea last summer, the Congress recognized the need for greatly increasing the Government's revenues to meet the grave dangers that confront our country. As a first step, it promptly enacted the Revenue Act of 1950 to provide 4.6 billion dollars of additional revenue annually. In section 701 of the same Act, the Congress called for further action at this session to supplement this revenue by taxing the excess profits of corporations.

As your committee meets to carry out its obligation under this section, I want to express my hearty accord with its purpose. It is scarcely possible to overemphasize the importance of an adequate tax system in performing the tremendous tasks that lie ahead of us. I am pleased that we have found general agreement thus far on the proposition that we should finance our defense effort

on a pay-as-you-go basis. This will not be easy. It will require both wisdom and determination. It is never pleasant to increase taxes, but in such times as these it is absolutely necessary.

In section 701 of the Revenue Act of 1950, the Congress indicated its purpose to have the new corporate excess profits tax take effect as of October 1 or July 1, 1950. I recommend that it be made effective as of July 1. Business volume and prices rose rapidly after that date as a result of the decision to enlarge our defense program greatly, and profits have increased as a consequence. These profits should obviously be taxed as part of a sound program of defense taxation.

I realize that there are many variations in the form this tax might take. The Secretary of the Treasury will be glad to discuss with the committee the considerations involved in choosing among them.

I believe the rates of the new tax should be designed to produce additional annual revenue of 4 billion dollars at current income levels. Although the total amount of the

expenditures which will ultimately be required for military security is necessarily uncertain, it will certainly exceed the yield of existing taxes augmented by such a profits tax. When the 1950 tax program has been completed with the enactment of this tax, we shall be in a position, early next year, to assess our needs for further tax legislation. To preserve the integrity of the Government's finances, our revenue system must keep pace with our defense expenditures.

An adequate tax program is our strongest weapon in preventing inflation. The need for action on this score is urgent. Contracts for most military items must be placed long before deliveries can be made, and before payments are made by the Government. These contracts, however, result almost immediately in competition for scarce materials and labor, producing expanding incomes and an inflationary threat. We must have in-

creased taxes to maintain the soundness of the dollar.

These considerations point up the need for immediate action on profits taxation. I am sure we can count on you and Senator George and your committees, at this time, for the same kind of fine cooperation and leadership you showed in securing enactment of the Revenue Act of 1950 earlier this year.

I am sending a copy of this letter to Senator George (Mr. Doughton).

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Robert L. Doughton, Chairman of the House Committee on Ways and Means, and to the Honorable Walter F. George, Chairman of the Senate Finance Committee.

On January 3, 1951, the President approved the Excess Profits Tax Act of 1950 (64 Stat. 1137).

The Revenue Act of 1950 was signed by the President on September 23, 1950 (64 Stat. 906).

285 Statement by the President Urging Support of the CARE-for-Korea Campaign. *November 14, 1950*

IN THE last few years CARE has become a worldwide symbol of help from the American people to the people of war-depleted and underdeveloped countries. This person-to-person help—which has already totaled \$100 million worth of CARE packages of food and other supplies—has traveled across the oceans as a direct individual supplement to the aid given by the Government of the United States to the governments of other nations.

Now the Cooperative for American Remittances to Europe and Asia, at the request of the Advisory Committee on Voluntary Foreign Aid of the Department of State, is undertaking to channel relief packages from Americans to the thousands of families who

have been left hungry and homeless by the fighting in Korea.

Our people, I am certain, will want to rally to this program to help humanity in distress. This Government is joining with other members of the United Nations to help Korean recovery. But the great need in a war-devastated country leaves much that our people, as individuals, can do. I strongly urge all Americans to contribute to the CARE-for-Korea campaign to provide gift parcels of food, clothing, blankets, and similar needed items.

Every CARE package delivered to a family in Korea, in the name of American donors, is proof of democracy in action to help its fellow man.

I am happy that a group of public-spirited citizens have agreed to cooperate in the effort and bring to the attention of the American

people the needs of Korea and the service that the CARE-for-Korea program can render to the people of this devastated country.

286 Statement by the President on the Christmas Seal Campaign. *November 16, 1950*

TUBERCULOSIS has taken the lives of more than 5 million Americans in the past 50 years.

Tragic as this figure is, it would have been worse if the American people had not banded together to fight tuberculosis. They formed the National Tuberculosis Association in 1904 and launched a nationwide campaign against this disease. Since then, the TB death rate has been cut 85 percent. Yet I am informed that tuberculosis today leads all diseases as a cause of death in the age group from 15 to 35.

The progress already made is proof that

further progress can be made and will be made, with the continued cooperative effort of the American people. One way of showing we are behind the antituberculosis campaign is to use Christmas Seals, sold annually to support the work of the NTA and the 3,000 State and local voluntary associations now affiliated with it.

First sold in this country in 1907, the Christmas Seal has become a symbol of the people's fight to eradicate tuberculosis. To hasten that day, I hope the American people will be generous this holiday season in their purchase of Christmas Seals.

287 The President's News Conference of *November 16, 1950*

THE PRESIDENT. Be seated, please.

[1.] I have a statement here that I want to read to you. Mr. Ross tells me that you have asked him several questions about Chinese Communist intervention in Korea.¹ I thought I would set it out here so that you would understand it. I hope you can understand it. And copies, of course, will be available for you when the conference is over.

[*Reading*] "The Security Council has before it a resolution concerning the grave situation caused by the Chinese Communist intervention in Korea. This resolution, introduced by the representatives of Cuba, Ecuador, France, Norway, the United King-

dom, and the United States, reaffirms that it is the policy of the United Nations to hold the Chinese frontier inviolate, to protect fully legitimate Korean and Chinese interests in the frontier zone, and to withdraw the United Nations forces from Korea as soon as stability has been restored and a unified, independent, and democratic government established throughout Korea.

"This resolution further calls upon all states and authorities to withdraw immediately from Korea all individuals or units which are assisting the North Korean forces. I am sure that all members of the Security Council genuinely interested in restoring peace in the Far East will not only support this resolution but also use their influence to obtain compliance with it.

¹ On November 3, 1950, Chinese Communist armies began to move into North Korea from Manchuria. See also Item 295 [1].

"The United Nations forces now are being attacked from the safety of a privileged sanctuary. Planes operating from bases in China cross over into Korea to attack United Nations ground and air forces, and then flee back across the border. The Chinese Communist and North Korean Communist forces are being reinforced, supplied, and equipped from bases behind the safety of the Sino-Korean border.

"The pretext which the Chinese Communists advance for taking offensive action against United Nations forces in Korea from behind the protection afforded by the Sino-Korean border is their professed belief that these forces intend to carry hostilities across the frontier into Chinese territory.

"The resolutions and every other action taken by the United Nations demonstrates beyond any doubt that no such intention has ever been entertained. On the contrary, it has been repeatedly stated that it is the intention of the United Nations to localize the conflict and to withdraw its forces from Korea as soon as the situation permits. Speaking for the United States Government and people, I can give assurance that we support and are acting within the limits of United Nations policy in Korea, and that we have never at any time entertained any intention to carry hostilities into China. So far as the United States is concerned, I wish to state unequivocally that because of our deep devotion to the cause of world peace and our longstanding friendship for the people of China we will take every honorable step to prevent any extension of the hostilities in the Far East. If the Chinese Communist authorities or people believe otherwise, it can only be because they are being deceived by those whose advantage it is to prolong and extend hostilities in the Far East against the interests of all Far Eastern people.

"Let it be understood, however, that the desire for peace, in order to be effective, must

be shared by all concerned. If the Chinese Communists share the desire of the United Nations for peace and security in the Far East, they will not take upon themselves the responsibility for obstructing the objectives of the United Nations in Korea."

That will be available for you in mimeographed form when you go out.

Q. Mr. President, in that connection, the Red Chinese admitted yesterday in a document presented to the United Nations that they had intervened in Korea. I think it was the first such admission. Would you comment on that, sir?

THE PRESIDENT. I have no comment on it. I saw that admission, but I do not want to comment on it now.

Q. Do you think there is any significance, sir, in the fact that that document was delivered by Malik, the Russian delegate?

THE PRESIDENT. Well, you can draw your own conclusions from that.

[2.] Q. Mr. President, 2 weeks ago, I believe, you said it would be a long, long time before you appointed an ambassador to Spain?

THE PRESIDENT. That's right.

Q. I was wondering if this new loan might mean that you have changed your mind on that?

THE PRESIDENT. The position on the Spanish loan has never changed. I have said here time and again that whenever Spain made the proper show to the Export-Import Bank, I supposed that the loan would be made. That doesn't have anything to do with appointing an ambassador to Spain.

Q. You still maintain that—

THE PRESIDENT. I feel rather reluctant about appointing an ambassador to Spain. I could be convinced that it is necessary, but I am not in that frame of mind now.

[3.] Q. Mr. President, would you say a few words about Carter Barron? I understand he—

THE PRESIDENT. About what?

Q. Carter Barron—chairman of the Sesquicentennial Commission here.

Mr. Ross: He died today.

THE PRESIDENT. Oh, I didn't know about it. That is news to me. I am very sorry to hear it. Carter was one of the ablest fellows around town, and one of the greatest assets that the District had. I didn't know about it.

[4.] Q. Mr. President, does your statement on Korea rule out consideration of the creation of a buffer zone in the Chinese-North Korean—

THE PRESIDENT. The statement speaks for itself. You read it carefully, and I think you will find out just exactly what it means.

[5.] Q. Mr. President, are you going to try to make an effort to get along with the Southern bloc in the Senate?

THE PRESIDENT. I have always gotten along with the Southern bloc in the Senate. It's never been I that has never been able to get along. [*Laughter*]

[6.] Q. Mr. President, can you tell us about your talks today with the Secretary of State and Mr. Dulles² on the Japanese peace treaty?

THE PRESIDENT. I had Mr. Dulles in with Mr. Acheson for a report on the progress that he has made in the discussions for the Japanese peace treaty. He reported to me that he had been in conference with all the nations interested, that the matter had now been referred to the various governments, and that in 2 or 3 weeks he expected to have further conversations on the same subject, as to how the governments felt on our—the proposals. Not *our* proposals, but the proposals that had been made for the Japanese treaty.

[7.] Q. Mr. President, this is the first press conference since the election—

² John Foster Dulles, Consultant to the Secretary of State.

THE PRESIDENT. [*laughing*]. I have been waiting for that one.

Q. As I remember it, you made some right hopeful predictions—

THE PRESIDENT. Yes, indeed. And, like all the rest of the pollsters and predictors, it did not come out exactly as I thought it would. But I am used to that. And you want to bear in mind that this is an off year election and it is the smallest loss for the party in power since 1916, with the exception of 1934, so I don't think there is anything to be very blue about. At least, I'm not blue.

Q. Mr. President, aren't you blue about Mr. Taft?³

THE PRESIDENT. No, I'm not. Mr. Taft won legitimately by a big majority, and he had a perfect right to do that. I never went outside of my State to do any fighting. I fought for the Senator in my State, and I got him.⁴ [*Laughter*]

[8.] Q. Mr. President, Paul Fitzpatrick⁵ just told us that in his opinion you would be the Democratic candidate in 1952. May I ask, sir, whether you would accept the nomination?

THE PRESIDENT. I am not ready to comment on that subject.

Q. Any other comment, Mr. President, about Mr. Fitzpatrick's talk with you this afternoon?

THE PRESIDENT. He was in to report to me the situation in New York, and explained to me how it came about; and I was glad to hear about it.

[9.] Q. Mr. President, was it 1934 you said this was the smallest loss—

THE PRESIDENT. Smallest loss since 1916, except 1934—that's right—the Democrats gained 7 seats.

³ Senator Robert A. Taft of Ohio.

⁴ Thomas C. Hennings, Jr., Senator-elect from Missouri.

⁵ Paul Fitzpatrick, Chairman, New York Democratic State Committee.

[10.] Q. Mr. President, some of the Republicans have been interpreting the election as meaning that you should ask for Mr. Acheson's resignation?

THE PRESIDENT. Mr. Acheson is going to remain Secretary of State, and you might just as well quit speculating about it. He is going to be Secretary of State, period.

[11.] Q. Mr. President, do you think that the results might indicate that the country might want to go slow on some parts of your domestic program?

THE PRESIDENT. No, I do not. Most of these results were due to local conditions. I would like to analyze every one of them for you, but it would take a little too much time.

[12.] Q. Mr. President, have you any preference for Senate majority leadership?

THE PRESIDENT. No. That is a matter for the Senate itself to decide.

[13.] Q. Mr. President, has the possibility of President-elect Vargas of Brazil to come up on an official visit yet come to your attention?

THE PRESIDENT. No, it has not.

Somebody over here wanted to—

[14.] Q. Mr. President, do you regard the New York State political results as a local situation?

THE PRESIDENT. Yes, entirely. I am very happy that the Senator was elected,⁶ and that we only came out with a net loss of one Congressman.

[15.] Q. Mr. President, I would love to have you analyze Mr. Taft's victory.

THE PRESIDENT. Well now, I will let *you* do that. [*Laughter*]

Q. But you said you would.

THE PRESIDENT. I could—I could—I can analyze it for you.

Q. The question was, you weren't unhappy about it?

THE PRESIDENT. Any State can elect anybody they want to the Senate. And I have

⁶ Senator Herbert H. Lehman of New York.

known Senator Taft ever since he has been in the Senate, and he and I never had any personal falling out of any kind. We just don't agree on public policy, and that is the way a democracy ought to run.

[16.] Q. Mr. President, are you going to call Congress in session earlier than the 27th?

THE PRESIDENT. No, I am not. The reason for that is that I was making a survey of the situation, and it was not intended for publication. It leaked, unfortunately, and you gentlemen began to speculate about this, that, and the other thing. The objective was to find out just what was necessary to be done, and whether it could be done completely in a short session.

The principal thing that we had to consider was appropriations and a tax bill, and the consummation of the Hawaii and Alaska statehood, and rent control. I found that the appropriations could not be in shape to present to the Congress before the 27th, due to conditions over which nobody had any control, and that the tax matter has already been presented to the Ways and Means Committee of the House, and they are working on it. Therefore, there wasn't any use in calling the Congress back sooner, because the House has no business to transact.

All these matters I have referred to, except the appropriations and the tax bill, are in the Senate.

Q. What appropriation is that—military supplemental—

THE PRESIDENT. Military—deficiency appropriations to meet the Korean conflict.

[17.] Q. Mr. President, on that question of interpreting the election as a sign to go slow, is there an implication there that you will continue to press for your Fair Deal program?

THE PRESIDENT. Most certainly. I will continue to press for it as long as I am President. I have been pressing for it since the

6th day of September 1945.⁷

[18.] Q. Mr. President, is there any investigation to be made of the fact that the boys in Korea are not getting sufficient clothing?

THE PRESIDENT. I am informed by General MacArthur that they are, and that is just—well, I won't say what it is—but if General MacArthur says they have plenty of clothing, that is all the authority that I need to go on.

[19.] Q. Mr. President, Senator Taft, at a press conference 2 days ago, said that high taxes could lead to inflation if they were passed on in higher wage requests and higher prices to the consumer, and suggested the idea that he thought wage and price controls would probably be necessary now to prevent that?

THE PRESIDENT. Mr. Taft has got a right to his own opinion. I just don't agree with him.

[20.] Q. Mr. President, the Export-Import Bank Monday signed an agreement with a group of Argentine bankers for a credit of \$125 million. Do you wish to comment?

THE PRESIDENT. No. That is the business of the Export-Import Bank, and if it is a good loan it's all right; and I judge it is, or they wouldn't have made it.

[21.] Q. Mr. President, will you present your whole New Deal program to the November 27th session, or will you—

THE PRESIDENT. No. It has been presented to the Congress in words of one syllable time and again. It will be presented to the January session of the new Congress.

Q. It will be presented then?

THE PRESIDENT. This Congress will be informed on various subjects by letter or otherwise on things that are to be done. I have already written a letter on the tax bill. I shall write a letter on the appropriations. I shall ask them to finish up with the Ha-

waiian and Alaskan statehood bills. I shall ask them to extend the rent control, and then whatever else is necessary will be presented to them in that form.

Q. What do you expect to get, rather than hope?

THE PRESIDENT. I hope to get it all.

Q. No, *expect*.

THE PRESIDENT. I expect to get it all done, if you want to put it that way. I wouldn't be trying to get it if I didn't expect to get it. I hope to get everything I ask for.

[22.] Q. Mr. President, there has been a lot of talk about a price increase in steel. Do you have any comment?

THE PRESIDENT. I know nothing about it. That is the first I've heard of it.

[23.] Q. Mr. President, will that program include repeal of the Taft-Hartley law, sir, or something less?

THE PRESIDENT. It is already before the Congress. That is a matter that is already before the Congress, and I don't know whether it is necessary to reiterate it or not. If they think it is necessary, I will.

Q. In your St. Louis speech⁸ you said something about removing the restrictive provisions—

THE PRESIDENT. That's right—that's right.

Q. You would be satisfied with some amendments then, sir?

THE PRESIDENT. I can't tell you until they come before me.

Q. You are speaking now in terms of the January session rather than—

THE PRESIDENT. Yes.

Q. I just wanted to know that.

[24.] Q. Mr. President, there have been protests to the Secretary of State recently from Mr. Murray of the CIO and Mr. Green of the A.F. of L.⁹ and similar farm leaders who have charged that the State Department

⁸ See Item 279.

⁹ Philip Murray, president of the Congress of Industrial Organizations, and William Green, president of the American Federation of Labor.

⁷ See 1945 volume, this series, Item 128.

is trying to make the Food and Agriculture Organization into a factfinding research organization.

THE PRESIDENT. I don't know anything about it, and I have got no comment on it. Whenever anybody's toes are tread on, you can always hear them yell for these restrictions to be put on the other fellow, not on themselves.

[25.] Q. Do you feel that wage and price controls are not necessary now?

THE PRESIDENT. I can't tell you that. I have never said they are not necessary. The survey is a continuing one, and when the time comes for price and wage controls, they will be put on. I don't think the time is here

right now.

[26.] Q. Mr. President, can you tell us anything about how soon we might have a name for the price stabilizer?

THE PRESIDENT. Just as soon as I can find a man with the guts to take the job, I will announce him to you.¹⁰

Reporter: Thank you, Mr. President.

THE PRESIDENT. You are entirely welcome.

NOTE: President Truman's two hundred and forty-fifth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, November 16, 1950.

¹⁰ On December 6, 1950, Michael V. DiSalle was confirmed by the Senate as Director of Price Stabilization.

288 Memorandum Limiting the Number of Supergrade Positions in Defense Agencies. *November 21, 1950*

To the heads of executive departments and agencies having responsibilities under the Defense Production Act of 1950:

I am advised by the Director, Bureau of the Budget, and the Chairman of the Civil Service Commission that requests for the allocation of positions to grades GS-16, 17 and 18 under authority of the Defense Production Act of 1950 have been out of proportion to the number of such grades heretofore authorized by the Congress for the entire Federal Service. In the interest of establishing a consistent and orderly procedure for the allocation of such grades, the following limitations are prescribed:

Effective immediately, the number of positions in the Executive Branch which may be classified in grades GS-16, 17 and 18 under the authority contained in section 710(a) of the Defense Production Act of 1950, shall be 150, of which not more than 20 shall be classified in grade GS-18.

Because of this limitation, it is essential that all agencies having responsibilities under the Defense Production Act have an equal opportunity to request the classification in grades GS-16, 17 and 18 of those positions which they believe warrant such grades. Therefore the positions which have been approved in these grades to date, but have not yet been filled and for which specific commitments to individuals have not been made, shall not be filled until they are reviewed by the Chairman of the Civil Service Commission in the light of the limitation fixed, and recertified for classification to those grades by the Chairman.

The Chairman of the Civil Service Commission will immediately advise you concerning the necessary information which shall accompany each request for recertification of classifications and for initial classification in grades GS-16, 17 and 18.

In sending you this memorandum estab-

lishing a limitation on the number of positions which can be established in the top grades under the Defense Production Act authority, it is not my intention to restrict unnecessarily the classification of positions at that level. However, it is my opinion that the authority granted the Executive Branch by the Defense Production Act provides us with flexibility which must be exer-

cised judiciously.

I am requesting the Director of the Bureau of the Budget and the Chairman of the Civil Service Commission to report to me quarterly, beginning in January 1951, as to the effect of this limitation on the defense program and to recommend changes in this limitation whenever such action is necessary.

HARRY S. TRUMAN

289 Letter to the Chairman, Advisory Board on International Development, on Foreign Economic Policy. *November 24, 1950*

Dear Mr. Rockefeller:

At the time I requested you to serve as Chairman of the Advisory Board on International Development, I expressed the conviction that any adequate and sound program of international economic development must be both broadly conceived in relation to our national interests and so formulated as to lend itself to realistic and continuing cooperation between private enterprise and government, here and abroad. I regard such a program as vital to the attainment of our goal of an expanding world economy and to the building of the security of the free world.

On March 31, 1950, I requested Mr. Gordon Gray to undertake a comprehensive study of the foreign economic policies and procedures of this Government in the light of present developments and conditions. Mr. Gray has now submitted his report. A reading of it reinforces my conviction that an effective program for international economic development must be integrated both as to policy and operations with all other governmental and private activities relating to the international trade and economic life of the nation.

Our policy in relation to the underdevel-

oped areas is one of the central points toward which the Gray Report is addressed. When that Report was made public, I stated that I was asking you to have the Advisory Board "as its first task, consider Mr. Gray's proposals concerning our policy toward the underdeveloped areas in the context of the full report, in order that this Board will be able to give us its views early in the coming year on the types and size of programs which it considers desirable for the United States to undertake in this field."

In accordance with this request, I should like to have the Advisory Board address itself specifically to the consideration of desirable plans to accomplish with maximum dispatch and effectiveness the broad objectives and policies of the Point Four program. In carrying out this task you should take into account existing governmental and private activities bearing on international economic development. You will wish to formulate your recommendations in the light of the Gray Report's comprehensive analysis of our entire foreign economic policy.

This is a special task which I am asking the Advisory Board to undertake for me in addition to the duties which are assigned to it under the Act for International Develop-

ment. In carrying out this task, you may provide yourself and the Advisory Board with such assistants as may be required.

I am hopeful that you may find it possible to make your recommendations to me by the beginning of February of next year.

The various departments and agencies of the Government responsible for our foreign aid programs, in particular the Department of State, are as you know, now studying the problem of continuation and possible modification of those programs. Those departments and agencies will, of course, extend to you the fullest cooperation in your work.

I am most interested in the work you are undertaking and I know you will apprise me from time to time as to how the work is proceeding.

Sincerely yours,

HARRY S. TRUMAN

[Mr. Nelson Rockefeller, 30 Rockefeller Plaza, New York, New York]

NOTE: The report of the International Development Advisory Board, entitled "Partners In Progress," is dated March 1951 (Government Printing Office: 1951, 120 pp.).

For a statement by the President on the Gray Report see Item 282.

See also Item 294.

290 Letter to Committee Chairmen on Aid to Yugoslavia. *November 24, 1950*

My dear Mr. Chairman:

The drought, the consequent crop failure and the imminence of famine in Yugoslavia is a development which seriously affects the security of the North Atlantic area. These events dangerously weaken the ability of Yugoslavia to defend itself against aggression, for, among other consequences, it imperils the combat effectiveness of the Yugoslav armed forces.

Yugoslavia, moreover, is a nation whose strategic location makes it of direct importance to the defense of the North Atlantic area. This importance derives from Yugoslavia's geographic relationship to Austria on the north, where the occupation forces of certain North Atlantic Treaty countries, including the United States, are on duty, Greece on the south, and Italy on the west.

As a result of these factors, an immediate increase in Yugoslavia's ability to defend itself over that which would exist if no assistance were supplied will contribute to the preservation of the peace and security of the North Atlantic area. The governments of the other nations which are members of the

North Atlantic Treaty have been consulted on this point. It is a settled premise of our foreign policy that the peace and security of the North Atlantic area is vital to the security of the United States.

Accordingly, I have determined that it is essential in order effectively to carry out the purposes of the Mutual Defense Assistance Act of 1949, as amended, to use not to exceed \$16 million of the funds appropriated for the purposes of Title I of the Act to provide food for Yugoslavia in an amount equivalent to the immediate food requirements of its armed forces. This use of these funds is part of the interim aid program to meet the immediate emergency pending further action by the Congress.

This letter constitutes the notification required by Section 408(c) of the Mutual Defense Assistance Act, as amended.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Tom Connally, Chairman of the Senate Committee on Foreign Relations, the Honorable Millard E. Tydings, Chairman of the Senate

Committee on Armed Services, the Honorable John Kee, Chairman of the House Committee on Foreign Affairs, and the Honorable Carl Vinson, Chairman of the House Committee on Armed Services.

On December 29, 1950, the President approved the Yugoslav Emergency Relief Assistance Act of 1950 (64 Stat. 1122).

See also Item 293.

291 Letter to the President of the Senate on Statehood for Hawaii and Alaska. *November 27, 1950*

My dear Mr. Vice President:

I hope that at this session the Senate will approve the bills now before it for the admission of the Territories of Hawaii and Alaska to the Union as States. These bills, H.R. 49 relating to Hawaii, and H.R. 331 relating to Alaska, were approved by the House of Representatives in March 1950, and reported favorably by the Senate Committee on Interior and Insular Affairs on June 29, 1950. They now await final action by the Senate.

Prompt approval of these measures is essential not only to the welfare and security of Hawaii and Alaska, but also to the security of the Nation as a whole.

Since these bills came before the Senate, this country has moved to check aggression in Korea, in support of the principles of the United Nations. As a result, our position in the Pacific area, and our attitude toward the peoples of that area, have become of even greater importance to our national security and to the success of our efforts to achieve a just peace.

Both Hawaii and Alaska are vital to the defense of the United States in the Pacific. They are also the proving-ground of our democratic institutions in the Pacific area, with tremendous psychological influence on the hearts and minds of the people of Asia and the Pacific islands.

As frontiers of our national territory, Hawaii and Alaska must maintain a high degree of military readiness. The security of our national defense forces there rests

upon the wholehearted effort and support of the local population. The morale of the people of Hawaii and Alaska, who are our fellow-citizens, will be heightened if we show them that we truly regard them as our equals in the responsibilities and privileges of statehood. Statehood will increase the effectiveness and the vitality of their local governments, and render them better able to back up our armed forces.

Furthermore, statehood will mean full participation by the elected representatives from these areas in the work of the Congress. The defense needs and responsibilities of the two territories will be presented more forcefully by members of Congress who are entitled to vote. As a result, the Government will be better informed and better able to provide for our national security in the Pacific area.

Statehood will not only strengthen the moral and physical aspects of our national defense in these areas—it will also improve our relations with the other free peoples of the Pacific area, and strike a blow at communist influence among them. Communism seeks to create distrust of the sincerity of our intentions, particularly among the peoples of the Far East. The granting of statehood to Hawaii and Alaska would speak far louder than words of our devotion to our national ideals. It would show, particularly in the case of Hawaii, that this Government judges people by their deeds, and not by their racial or national origins. It would give additional convincing proof to the people of

the Far East that this country is still truly dedicated to the proposition that all men are created equal.

In all fairness, we should not longer deny the desire for statehood of our fellow citizens in Hawaii and Alaska. Unlike our other overseas areas, Hawaii and Alaska are incorporated Territories. Their special legal status has long been regarded by them and by us as the first major step toward statehood. They have asked for statehood. An overwhelming majority of the people of Hawaii voted on November seventh in favor of the adoption of a State constitution. Similarly, the people of Alaska have voted almost three to one in favor of statehood.

Both areas pay all Federal taxes, although they have no voice in levying them or in the spending of tax revenues. Their young men are inducted into the armed forces of the Nation. The people of Hawaii have

about five times as many men on the casualty lists from Korea, in proportion to their total population, as the rest of the country.

It is now obvious that the people of both Territories can exercise effectively all the rights of self-government under statehood both in local and national affairs. Having earned these rights and expressed a desire to exercise them, the people of Hawaii and Alaska should be granted them without delay. Our sense of justice and fair play demands it.

For these reasons, I urge that the Senate give the highest priority to the statehood measures before it and complete legislative action on them before the present Congress adjourns.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Alben W. Barkley, The President of the Senate]

292 Letter to Committee Chairmen Recommending Extension of Rent Control. *November 27, 1950*

Dear Mr. Chairman:

As you know, the Housing and Rent Act of 1950 will eliminate rent control in all incorporated cities, towns and villages, after December 31, 1950, unless they have taken affirmative action by that date to continue such control. I strongly recommend that the Congress extend that date to March 31, 1951. Such an extension would not interfere with the authority local communities now have to decontrol rents when in their judgment it seems proper.

The present rent control law was enacted before the outbreak of hostilities in Korea. It was passed to provide for the orderly transition to a free rental market in a peacetime economy. There has been a marked change in the situation since the law was passed. The outbreak of aggression during

recent months has compelled us to move rapidly to increase our military strength. We are expanding our Army, Navy, and Air Force. We are stepping up our production of defense items and increasing our industrial capacity. To carry out this program successfully and to safeguard our economy, it will be necessary to keep rents in vital defense areas from rising to unreasonable levels.

Therefore, we must consider anew the whole problem of rent control in relation to the pressures now being created by the defense program. We must look into the situation around reactivated military camps and installations so that servicemen and their families can be given necessary protection against rent gouging. We must prevent high rents from interfering with the recruit-

ing of defense workers and their movement to defense jobs. We must consider the relation of rent control to the price and wage aspects of our stabilization program.

I realize that there is insufficient time for the Congress to make a full investigation of these problems and consider a new rent control law during the present session. Moreover, during the next few months it should be possible to form a more accurate judgment concerning the effects of our expanded defense program on rents and housing needs. The extension of the automatic decontrol date to March 31, 1951, will permit the Eighty-second Congress to give full consideration to the effects of our defense program and make whatever changes in the law may be necessary. Unless this extension is made,

many communities may be decontrolled by the operation of the present law before they, or the Congress, have been able to examine the problems confronting them, and with results that may be damaging to the national defense.

I will appreciate it if you will take this matter up with your committee with a view to obtaining favorable action upon such an extension.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Burnet R. Maybank, Chairman of the Senate Committee on Banking and Currency, and to the Honorable Brent Spence, Chairman of the House Committee on Banking and Currency.

On December 20, 1950, the President approved a bill extending rent control until March 31, 1951 (64 Stat. 1113).

293 Special Message to the Congress Urging Legislation Authorizing Further Assistance to Yugoslavia. *November 29, 1950*

To the Congress of the United States:

I recommend that the Congress enact legislation authorizing further United States assistance to meet the emergency created by the food shortage in Yugoslavia.

More than two years ago the Government of Yugoslavia broke its association with the Soviet Union and its satellites. This rift resulted primarily from the refusal of the Yugoslavs to agree to the dictation of the Kremlin in the affairs of Yugoslavia. The Yugoslavs are determined to maintain their independence of the Kremlin. They are maintaining the largest fighting force in Europe, outside of the Soviet Union.

The breach between Yugoslavia and the Kremlin and its satellites has steadily widened. The Kremlin is determined to wipe out this one successful example of a former satellite which has freed itself from Soviet control. Directly and through its

satellites, the Kremlin is trying to destroy Yugoslav independence. Yugoslavia is being subjected to an economic blockade, to propaganda, subversion, military pressure, and harassing border raids.

Since the break between the Kremlin and Yugoslavia, it has been the policy of this Government to assist Yugoslavia to maintain its independence. The continued independence of Yugoslavia is of great importance to the security of the United States and its partners in the North Atlantic Treaty Organization, and to all nations associated with them in their common defense against the threat of Soviet aggression.

This past summer Yugoslavia suffered perhaps the worst drought in its history. There were severe crop failures, and the lack of feed and fodder led to the extensive slaughtering of livestock. As a result, Yugoslavia is threatened with famine this winter. This

would provide fertile ground for the subversive activities of the Kremlin and would seriously undermine the capacity of the Yugoslav people to resist Soviet aggression.

On October 20, 1950, the Yugoslav Government formally requested United States assistance in averting the worst effects of the disastrous crop failure. This request came only after the Yugoslav Government had exhausted all means of meeting the situation by its own efforts.

Immediate action was necessary to meet the situation. Shipments had to be arranged at the earliest possible date. Otherwise, it would have been impossible to get food to the more remote areas of Yugoslavia before they were isolated by the heavy winter snows.

Accordingly, this Government has taken action to begin shipments under existing authority and with funds already available. The Economic Cooperation Administration has made arrangements for the shipment of flour from Italy and Germany directly to Yugoslavia. At the same time, with the concurrence of the North Atlantic Treaty countries, Mutual Defense Assistance funds are being made available for procurement of food supplies equivalent to the immediate needs of the Yugoslav armed forces. In addition, the Export-Import Bank is permitting a portion of a previously negotiated Yugoslav loan to be used for the purchase and transport of foodstuffs, partly from American surplus stocks. Under present plans, the cost of this interim aid already underway will amount to about \$30 million. This is sufficient only to meet a portion of the total need.

Now that the Congress has reconvened, I believe it appropriate to request a special authorization to meet the balance of the essential food needs of the Yugoslav people until the next harvest. Action should be taken promptly. Shipments of the remaining supplies needed must be started before the end of December, if the bulk of the food is to be available for distribution in the critical winter period. The additional aid needed is estimated at \$38 million. This amount, plus the amount provided under existing authority, will only be sufficient to bring the Yugoslav diet up to a bare subsistence level.

We have received satisfactory assurances from the Yugoslav Government, first, that all assistance furnished by the United States will be given full and continuous publicity through the press and radio in Yugoslavia; second, that the aid will be distributed equitably and fairly among the Yugoslav people; and third, that this distribution will be under the observation of persons designated by the United States.

It is my earnest hope that the Congress will, at this session, provide the \$38 million necessary for shipments of food to Yugoslavia. In this way we can help preserve the independence of a nation which is defying the savage threats of the Soviet imperialists, and keeping Soviet power out of one of Europe's most strategic areas. This is clearly in our national interest.

HARRY S. TRUMAN

NOTE: On December 29, 1950, the President approved the Yugoslav Emergency Relief Assistance Act of 1950 (64 Stat. 1122).

See also Item 290.

294 Statement by the President on the Advisory Board on
International Development. *November 29, 1950*

I AM gratified that the new Advisory Board on International Development is today beginning to carry out the significant duties assigned it under the Act for International Development. That act, which authorized the point 4 program, provided for the establishment of this Board representing the public, with particular reference to business, labor, agriculture, public health, education, and voluntary agencies. By advising with the Government officials responsible for the point 4 program, this Board will be a vital force in giving the program the perspective it requires to accomplish its purpose.

Since the launching of the point 4 program, the outbreak of overt aggression in Korea has compelled all free Nations to speed up every effort to strengthen the free world against the dangers which confront it. Mr. Gordon Gray and his staff recently completed a study of our foreign economic policies and programs, including the serious problems raised by the aggression in Korea. One of the major conclusions of the Gray Report is that this aggression has underlined the importance of the whole point 4 concept. In view of this finding, I recently stated that the first task of this Advisory Board would be to consider the kind of program advisable for the United States to undertake in this field.

The encouragement of economic and social progress in the underdeveloped areas is one of the most important problems facing the free world. This is particularly true in those countries of Asia where the Communist menace is so great. There is a direct relationship between strengthening underdeveloped areas and strengthening the free peoples of the entire world. Two-thirds of

the world's people live in these areas. They suffer from hunger, disease, ignorance, and poverty. These people have already determined that there shall be change, come what may. The real question now is what direction that change shall take—whether it will blindly sweep aside many of the values that free people have learned to cherish, or whether it will contribute toward a more peaceful, prosperous world.

We in the United States cannot decide that question; it can be decided only by the people of the underdeveloped areas themselves. But I believe that we can offer them a helping hand out of the morass of misery from which they are struggling to escape, and we can also indicate the path which others have followed toward freedom, dignity, and abundance. We can do this at relatively small cost to ourselves, and in the long run with substantial and continuing benefit both to ourselves and to the entire free world.

NOTE: Nelson A. Rockefeller, Chairman of the Advisory Board, took the oath of office on November 24. On November 29 the President appointed the following members: Robert P. Daniel, president of Virginia State College, Harvey S. Firestone, Jr., chairman of the Firestone Tire and Rubber Co., James W. Gerard, former Ambassador to Germany, John A. Hannah, president of Michigan State College and former president of the Association of Land Grant Colleges and Universities, Margaret A. Hickey, former president of the National Federation of Business and Professional Women, Lewis G. Hines, special representative of the American Federation of Labor, Thomas Parran, dean of the Graduate School of Public Health, University of Pittsburgh and former Surgeon General of the United States, Clarence Poe, editor of the "Progressive Farmer," Jacob F. Potofsky, president of the Amalgamated Clothing Workers of America, John L. Savage, Chief Designing Engineer of Grand Coulee and Hoover Dams, and Charles L. Wheeler, executive president of Pope and Talbot.

For the statement by the President upon signing the Foreign Economic Assistance Act, which includes the Act for International Development, see Item 154.

For the President's statement in response to the Gray report on foreign economic policy, see Item 282. See also Item 289.

295 The President's News Conference of November 30, 1950

THE PRESIDENT. Good morning, everybody. Sit down.

[1.] I have got a statement I want to read to you. There will be copies available when you get ready to leave here. I will take it as slowly as I can.

[*Reading*] "Recent developments in Korea confront the world with a serious crisis. The Chinese Communist leaders have sent their troops from Manchuria to launch a strong and well-organized attack against the United Nations forces in North Korea. This has been done despite prolonged and earnest efforts to bring home to the Communist leaders of China the plain fact that neither the United Nations nor the United States has any aggressive intentions toward China. Because of the historic friendship between the people of the United States and China, it is particularly shocking to us to think that Chinese are being forced into battle against our troops in the United Nations command.

"The Chinese attack was made in great force, and it still continues. It has resulted in the forced withdrawal of large parts of the United Nations command. The battlefield situation is uncertain at this time. We may suffer reverses as we have suffered them before. But the forces of the United Nations have no intention of abandoning their mission in Korea."

[*The following sentence is in the statement as released by the White House but was not read by the President.*]

"The forces of the United Nations are in Korea to put down an aggression that threat-

ens not only the whole fabric of the United Nations, but all human hopes of peace and justice."

[*Reading*] "If the United Nations yields to the forces of aggression, no nation will be safe or secure. If aggression is successful in Korea, we can expect it to spread throughout Asia and Europe to this hemisphere. We are fighting in Korea for our own national security and survival.

"We have committed ourselves to the cause of a just and peaceful world order through the United Nations. We stand by that commitment.

"We shall meet the new situation in three ways.

"We shall continue to work in the United Nations for concerted action to halt this aggression in Korea.

"We shall intensify our efforts to help other free nations strengthen their defenses in order to meet the threat of aggression elsewhere.

"We shall rapidly increase our own military strength.

"In the United Nations, the first step is action by the Security Council to halt this aggression. And Ambassador Warren Austin is pressing for such action. We shall exert every effort to help bring the full influence of the United Nations to bear on the situation in Korea.

"Some had hoped that the normal peaceful process of discussion and negotiation, which is provided through the United Nations, could be successfully entered into with the present Chinese Communist dele-

gation at Lake Success. There is, however, no indication that the representatives of Communist China are willing to engage in this process. Instead of discussing the real issues, they have been making violent and wholly false statements of the type which have often been used by the Soviet representatives in an effort to prevent the Security Council from acting.

"We hope that the Chinese people will not continue to be forced or deceived into serving the ends of Russian colonial policy in Asia.

"I am certain that, if the Chinese people now under the control of the Communists were free to speak for themselves, they would denounce this aggression against the United Nations.

"Because this new act of aggression in Korea is only a part of a worldwide pattern of danger to all the free nations of the world, it is more necessary than ever before for us to increase at a very rapid rate the combined military strength of the free nations. It is more necessary than ever that integrated forces in Europe under a supreme command be established at once.

"With respect to our own defense, I shall submit a supplemental request for appropriations needed immediately to increase the size and effectiveness of our Armed Forces. The request will include a substantial amount for the Atomic Energy Commission in addition to large amounts for the Army, the Navy, and the Air Force.¹

"I expect to confer tomorrow with congressional leaders and ask them to give urgent consideration to these new appropriations.

"This is a time for all our citizens to lay aside differences and unite in firmness and mutual determination to do what is best for our country and the cause of freedom throughout the world. This country is the

keystone of the hopes of mankind for peace and justice. We must show that we are guided by a common purpose and a common faith."

All right. Ask any questions now.

[2.] Q. Mr. President, do you think, in view of this situation, that we should delay any further general mobilization and control of materials and prices and supports and—

THE PRESIDENT. That matter is being constantly considered. I do not intend to answer the question.

[3.] Q. Mr. President, are you about to name a supreme commander then?

THE PRESIDENT. I have been ready to name a supreme commander for a long time.

Q. You are waiting on European—

THE PRESIDENT. I am waiting on agreement with our European allies.

[4.] Q. Mr. President, in what detail were you informed about these MacArthur moves? ²

THE PRESIDENT. Every detail.

Q. Did you or the State Department raise the question of whether this offensive would affect the chances of a negotiated settlement with the Peiping government?

THE PRESIDENT. The whole matter was clearly discussed with General MacArthur every day.

Q. Mr. President, there has been some criticism of General MacArthur in the European press—

THE PRESIDENT. Some in the American press, too, if I'm not mistaken.

Q. —particularly in the British press—

THE PRESIDENT. They are always for a man

² On November 23 General MacArthur had launched an assault on the Communist forces in Korea in an attempt to end the war. On November 28 he issued a special communique stating that the United Nations forces faced an "entirely new war" with an enemy force of 200,000 men, including a major segment of the Communist Chinese army.

¹ See Item 296.

when he is winning, but when he is in a little trouble, they all jump on him with what ought to be done, which they didn't tell him before. He has done a good job, and he is continuing to do a good job.

Go ahead with your question.

Q. The particular criticism is that he exceeded his authority and went beyond the point he was supposed to go?

THE PRESIDENT. He did nothing of the kind.

[*Slight pause*]

Well, what's the matter with you?

[5.] Q. Mr. President, a few months ago this Government declined the offer of Chinese Nationalist troops. Has that been up for reconsideration, in view—

THE PRESIDENT. The offer of Nationalist Chinese troops was refused for the reason that we hoped not to be involved in a world war. That situation still continues.

[6.] Q. Along the same line then, our Formosa policy of neutralization—

THE PRESIDENT. Still continues.

[7.] Q. Mr. President, since the Chinese delegation has shown no inclination to resolve the difficulties, what can be done then?

THE PRESIDENT. We are still working on the thing from every angle. The best thing that can be done is to increase our defenses to a point where we can talk—as we should always talk—with authority.

Q. Mr. President, how wide an increase do you expect to authorize in mobilization of the military—

THE PRESIDENT. I will answer that question when I send up the request for the appropriation.

Q. Can you say how large that appropriation will be, sir?

THE PRESIDENT. No. I will give it to you when I send it up, which will be in a day or two.

Q. Is it to go up tomorrow?

THE PRESIDENT. Well, I don't think it will be ready. I hope it will be, but I don't think it will be.

[8.] Q. Mr. President, what congressional leaders will you see?

THE PRESIDENT. The usual ones.

Q. Will that include Republicans—

THE PRESIDENT. They will come in the White House. It's the usual conference that I have—with the usual agenda.

Q. Will it include Republicans?

THE PRESIDENT. It always does. Of course it will. Don't you remember? Remember back, there have been 9 or 10 of these conferences. If you will look back and edit them, you will find that your question will be answered.

Q. My editor tells me not to take anything for granted. [*Laughter*]

THE PRESIDENT. That's too bad. Of course, that is one of the things that's the matter with the country. It just exactly states—you have answered a national question when you said that. Confidence in your Government is the first thing to keep it running as it should.

[9.] Q. Mr. President, will the United Nations troops be allowed to bomb across the Manchurian border?

THE PRESIDENT. I can't answer that question this morning.

[10.] Q. Mr. President, in increasing our military strength, do you consider using the Japanese manpower?

THE PRESIDENT. Using what?

Q. The Japanese manpower, in increasing our military strength—speaking of the United Nations?

THE PRESIDENT. We will cross that bridge when we come to it.

[11.] Q. Mr. President, will attacks in Manchuria depend on action in the United Nations?

THE PRESIDENT. Yes, entirely.

Q. In other words, if the United Nations

resolution should authorize General MacArthur to go further than he has, he will—

THE PRESIDENT. We will take whatever steps are necessary to meet the military situation, just as we always have.

[12.] Q. Will that include the atomic bomb?

THE PRESIDENT. That includes every weapon that we have.

Q. Mr. President, you said "every weapon that we have." Does that mean that there is active consideration of the use of the atomic bomb?

THE PRESIDENT. There has always been active consideration of its use. I don't want to see it used. It is a terrible weapon, and it should not be used on innocent men, women, and children who have nothing whatever to do with this military aggression. That happens when it is used.³

[13.] Q. Mr. President, Senator Byrd⁴ says not a single dollar for Yugoslavia, and he backed it up this morning with the Southern bloc. Have you any comment? [Laughter]

THE PRESIDENT. No comment. We would expect that from Senator Byrd, however.

³ Later the same day the White House issued the following press release:

"The President wants to make it certain that there is no misinterpretation of his answers to questions at his press conference today about the use of the atom bomb. Naturally, there has been consideration of this subject since the outbreak of the hostilities in Korea, just as there is consideration of the use of all military weapons whenever our forces are in combat.

"Consideration of the use of any weapon is always implicit in the very possession of that weapon.

"However, it should be emphasized, that, by law, only the President can authorize the use of the atom bomb, and no such authorization has been given. If and when such authorization should be given, the military commander in the field would have charge of the tactical delivery of the weapon.

"In brief, the replies to the questions at today's press conference do not represent any change in this situation."

⁴ Senator Harry F. Byrd of Virginia.

[14.] Q. Mr. President, I wonder if we could retrace that reference to the atom bomb? Did we understand you clearly that the use of the atomic bomb is under active consideration?

THE PRESIDENT. Always has been. It is one of our weapons.

Q. Does that mean, Mr. President, use against military objectives, or civilian—

THE PRESIDENT. It's a matter that the military people will have to decide. I'm not a military authority that passes on those things.

Q. Mr. President, perhaps it would be better if we are allowed to quote your remarks on that directly?

THE PRESIDENT. I don't think—I don't think that is necessary.

Q. Mr. President, you said this depends on United Nations action. Does that mean that we wouldn't use the atomic bomb except on a United Nations authorization?

THE PRESIDENT. No, it doesn't mean that at all. The action against Communist China depends on the action of the United Nations. The military commander in the field will have charge of the use of the weapons, as he always has.

[15.] Q. Mr. President, how close are we to all-out mobilization.

THE PRESIDENT. Depends on how this matter we are faced with now works out.

[16.] Q. Mr. President, will the United Nations decide whether the Manchurian border is crossed, either with bombing planes or—

THE PRESIDENT. The resolution that is now pending before the United Nations will answer that question.

Q. Or with troops?

THE PRESIDENT. That question will be answered by this resolution.⁵

⁵ On December 14, 1950, the United Nations General Assembly adopted a resolution listing its conditions for a cease-fire in Korea (see the Department of State Bulletin, vol. 24, p. 113).

[17.] Q. Mr. President, do you have to ask any congressional action to proceed further in this situation in Asia?

THE PRESIDENT. Money. Always have to ask them for money.

Q. Is it going beyond police action at this time?

THE PRESIDENT. I can't answer that question. That is what we are examining. We have exerted every effort possible to prevent a third world war. Every maneuver that has been made since June 25th has had in mind not to create a situation which would cause another terrible war. We are still trying to prevent that war from happening, and I hope we may be able to prevent it.

All these attacks and speculations and lies that have been told on the members of this Government have not helped that situation one little bit. There's a big one on the front page of the paper this morning, about Acheson having interfered with the command in the Far East. There isn't one word of truth in that, and never has been. Acheson has attended strictly to his business as Sec-

retary of State, and he has done a good job.

I am getting tired of all this foolishness, and I'm going to "bust loose" on you one of these days. [*Laughter*]

[18.] Q. You said we are going to—in your statement—intensify our military efforts. Do you mean to step it up more than you had planned to step it up, before the events of the—

THE PRESIDENT. Yes, it will. The end will be attained sooner than we had anticipated would be necessary—that is what it means.

Q. Same size program?

THE PRESIDENT. Probably—probably. Got ten together more rapidly.

[19.] Q. Mr. President, in intensifying our efforts to build up strong free nations, you refer particularly to the North Atlantic pact countries?

THE PRESIDENT. That's correct.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and forty-sixth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Thursday, November 30, 1950.

296 Special Message to the Congress Requesting Additional Appropriations for Defense. *December 1, 1950*

To the Congress of the United States:

I am today transmitting to the Congress a request for additional funds to strengthen our defenses. The gravity of the world situation requires that these funds be made available with the utmost speed.

I am recommending additional appropriations for the Department of Defense for the fiscal year 1951 in the amount of 16.8 billion dollars. These funds are needed to support our part in the United Nations military action in Korea, and to increase the size and readiness of our armed forces should action become necessary in other parts of the world.

Together with the funds appropriated in

the General Appropriation Act for fiscal year 1951, and those appropriated in the Supplemental Appropriation Act for fiscal 1951, this will make a total of 41.8 billion dollars for the United States military forces for the current fiscal year.

I am also recommending a supplemental appropriation for the Atomic Energy Commission in the amount of \$1,050,000,000. These funds will enable the Commission to enlarge its production capacity substantially. The new facilities will provide larger capacity for the production of fissionable materials, and for the fabrication of such materials into atomic weapons. The fissionable

materials thus produced can be utilized either in weapons or as fuels for power-producing atomic reactors. The program for building these additional facilities has been developed after thorough study over the last few months.

The further expansion of our military forces and of our atomic energy enterprise are directed toward strengthening the defenses of the United States and of the entire free world. This expansion is a matter of great urgency, which can be understood and evaluated only against the background of present critical world conditions.

United States troops are now fighting as part of the United Nations command in Korea. They are fighting for freedom and against tyranny—for law and order and against brutal aggression. The attack of the North Korean communists on their peaceful fellow-countrymen in June was in defiance of the United Nations and was an attack upon the security of peaceful nations everywhere. Their action, if unchecked, would have blasted all hope of a just and lasting peace—for if open aggression had been unopposed in Korea, it would have been an invitation to aggression elsewhere.

In that crisis, the United Nations acted, and the United States strongly supported that action—for the people of this country knew that our own freedom was as much at stake as the freedom of the Korean people. We knew that the issue was nothing less than the survival of freedom everywhere. If free men did not stand together against aggression, there could be no hope for peace. This was essentially a moral decision. We did not hesitate, even though we knew we would have to operate at the end of lengthy supply lines, and would initially be faced with overwhelming odds.

There were serious reverses at first, but the courage and skill of our men, and those of other free nations, working together under

brilliant leadership, drove the aggressors back.

It soon became evident that North Koreans alone could not have prepared the kind of well-organized, well-armed attack which was launched against the Republic of Korea. As Ambassador Austin proved in the Security Council of the United Nations, the aggressors were armed with Soviet Russian weapons. From the early days of the attack, it became clear that the North Korean forces were being supplemented and armed from across the frontier. Men and equipment were coming out of these dark places which lie behind the iron curtain.

As the United Nations forces continued to defeat the aggressors and continued to advance in their mission of liberation, Chinese communist participation in the aggression became more blatant. General MacArthur, as Commander of the United Nations forces, reported to the United Nations Security Council on November 5 the proof of this participation.

Despite this outside communist aid, United Nations troops were well on the way to success in their mission of restoring peace and independence in Korea when the Chinese communists a few days ago sent their troops into action on a large scale on the side of the aggressor.

The present aggression is thus revealed as a long-calculated move to defy the United Nations and to destroy the Republic of Korea which was giving a demonstration to the peoples of Asia of the advantages of life in an independent, national, non-communist state.

The present attack on the United Nations forces by the Chinese communists is a new act of aggression—equally as naked, deliberate, and unprovoked as the earlier aggression of the North Korean communists. Cutting through the fog of communist propaganda, this fact stands unmistakably clear:

the Chinese communists, without a shadow of justification, crossed the border of a neighboring country and attacked United Nations troops who were on a mission to restore peace under the direction of the organization representing mankind's best hope for freedom and justice.

The Chinese communists have acted presumably with full knowledge of the dreadful consequences their action may bring on them. The Chinese people have been engaged in fighting within their own country for years, and in the process their lands and factories have been laid waste, and their young men killed. Nothing but further misery can come to the Chinese people from the reckless course of aggression into which they have been led by the communists.

The United Nations resolutions, the statements of responsible officials in every free country, the actions of the United Nations command in Korea, all have proved beyond any possible misunderstanding that the United Nations action in Korea presented no threat to legitimate Chinese interests. The United States especially has a long history of friendship for the Chinese people and support for Chinese independence. There is no conceivable justification for the attack of the Chinese communists upon the United Nations forces.

The only explanation is that these Chinese have been misled or forced into their reckless attack—an act which can only bring tragedy to themselves—to further the imperialist designs of the Soviet Union.

Nevertheless, the Chinese communists have acted, and they must bear the responsibility for those acts. They have attacked a United Nations force composed of men from Australia, Canada, France, Korea, the Netherlands, New Zealand, the Philippines, South Africa, Thailand, Turkey, the United Kingdom, and the United States. The United Nations force they have attacked in-

cludes also Indian and Swedish hospital units. It is a force now being supplemented by troops from Belgium, Colombia, Greece, and Luxembourg. Fifty-three members of the United Nations are supporting this common effort to stop aggression. The Chinese communists struck at all of these countries when they started to make war against the United Nations.

The United Nations troops are defending themselves vigorously, and will do so with increasing effectiveness as their forces regroup. At Lake Success, the United Nations is now considering how best to halt this new aggression and bring to an end the fighting in Korea.

Meanwhile, two facts are clear.

First, the moral issue now is the same as it was in June. The aggression of the Chinese communists is a direct assault upon the United Nations, and upon the principles of international law and order which are its foundation. By their action, the Chinese communist leaders have proved themselves law-breakers in the community of nations. If there is to be any hope for world peace, the nations which truly want peace must stand together in opposing this new aggression, just as they did in opposing the original attack from North Korea.

Second, this aggression casts a more ominous shadow over the prospects for world peace. We see no issue between the Chinese communists and the free nations, or between the Soviet Union and the free nations, which could not be honorably solved by peaceful means. We continue to stand ready in good faith to seek solutions in that way. But the Chinese communist leaders, who are known to be in close relations with the Kremlin, have not hesitated to make a large-scale assault upon United Nations troops. The leaders of communist imperialism could not help but know that this action involved grave risk of world war. Their present aggressive

actions seem utterly inconsistent with any peaceful intention.

In the face of this situation, the United States and the other free nations have no choice but to increase their military strength very rapidly. As free men, dedicated to the peaceful advancement of human well-being, we have not made this choice gladly. But we have made it firmly and definitely, and we will not falter or turn back.

Prior to this new act of aggression by the Chinese communists, a supplemental estimate of appropriations for our armed forces was being prepared. This supplemental estimate, which I am transmitting to the Congress today, provides for large additional appropriations for the current fiscal year.

When the communists of North Korea brutally assaulted the Republic of Korea last June, the strength of our armed forces stood at approximately one and a half million men and women; today, five months later, the manpower strength of our armed forces has been increased by more than 50 per cent, to more than 2 and a quarter million men and women; and our goal, until this most recent act of aggression, has been a strength of 2 million 800 thousand by the end of the current fiscal year. Now, we face the necessity of having to raise our sights, both in terms of manpower and in terms of production.

This prospect makes it essential that the funds I am now requesting be made available speedily in order to build up our military strength as rapidly as possible. About 9 billion dollars of these new funds will be used for major military procurement, and to expand facilities for military production.

The appropriation request I am transmitting today is not a war budget. That would obviously require far more money.

However, the immediate appropriation of these funds will permit us to make the fastest possible progress in increasing our strength. This action will permit us to go ahead at once to step up rapidly the size of the armed forces and the rate of military training. It will permit us to go ahead at once to increase rapidly the rate of production of planes, tanks and other military equipment. At the same time, we can be going ahead with plans for such further expansion as may be necessary, and any additional funds required for that purpose can be requested when and as such plans are worked out.

These measures will put us in a position to move speedily into an increased state of mobilization if the situation grows worse. If the situation improves, we can level off the size of forces and the rate of production of military goods as may be appropriate. In any case, we must be prepared to endure a long period of tension.

I wish to emphasize again, as I have before, that the situation we are in requires from every one of us the utmost devotion and willingness to do his full part. In this critical time, the national interest is paramount, and all partisan or selfish considerations must be subordinated.

The United States is today strong and free. Whatever may come, I know the people of this country will do everything in their power to increase that strength and protect our precious freedom.

HARRY S. TRUMAN

NOTE: On January 6, 1951, the President approved the Second Supplemental Appropriation Act, 1951 (64 Stat. 1223).

The President had approved the Supplemental Appropriation Act, 1951, on September 27, 1950 (64 Stat. 1044).

For the President's statement upon signing the General Appropriation Act, see Item 234.

297 Statement by the President Making Public a Report Entitled
 "The Military Chaplaincy." *December 1, 1950*

IT IS gratifying to know that those who are serving the colors have readily available opportunities to receive spiritual advice and guidance.

On behalf of the American public, I want to congratulate our chaplains on the fine work they are doing—on foreign shores, ships at sea, and in the frontlines of the Korean battleground.

The military chaplain braves many dangers as he does his work serving God and the young men who are defending the Nation's spiritual traditions.

I hope that our religious leaders and our

public will read this report of the President's Committee thoroughly and will support its recommendations for the strengthening of the chaplaincy.

I pray with them for the safety and security of our young men and women in the Armed Forces, and ask that they support these men and women with all their resources and all their faith.

NOTE: The report of the President's Committee on Religion and Welfare in the Armed Forces, dated October 1, 1950, and entitled "The Military Chaplaincy," was transmitted to the President on November 28 (Government Printing Office, 1950, 43 pp.).

For the President's statement on appointing additional members of the Committee, see Item 32.

298 Letter to the President of the Senate and to the Speaker
 of the House on Vocational Rehabilitation of
 Disabled Veterans. *December 4, 1950*

Dear Mr. ———:

I wish to recommend action in the present session to renew the program of vocational rehabilitation for disabled veterans, which was in effect during and after World War II. Since the armed forces are now beginning to discharge men disabled in the current hostilities, renewal of these benefits has become a matter of urgency, warranting action before the present Congress adjourns.

During the last war, as at the present time, the first men to be released by the armed forces were those who had been wounded or otherwise disabled and were no longer able to serve on active duty. These men were—and are—entitled under permanent law to full medical treatment and to monthly compensation varying with the degree of disability. In addition, disabled veterans of World War II were given help by the Gov-

ernment in gaining the qualifications needed for civilian employment. In some cases, this meant completion of professional training interrupted by the war. In other cases, old skills had to be brushed up, or new skills acquired.

This program was authorized by Public Law 16 of the 78th Congress. Under this law, every disabled veteran who needed vocational rehabilitation in overcoming the handicap of his disability, was enabled to undertake any type of education or training for which he had aptitude and interest. The colleges and universities and the trade and vocational schools all cooperated in the program and many special courses were established. Arrangements were also made in many cases for training on the farm and on the job.

While the disabled veterans were in train-

ing, their tuition was paid by the Government and the Government financed their subsistence and school supplies.

In this way, thousands of disabled veterans were reequipped for jobs in civil life. In a great many cases, these men were able fully to overcome the loss of earning power which had resulted from their disability. In all, more than 550,000 disabled veterans have participated in the rehabilitation program authorized by Public Law 16.

However, the benefits of Public Law 16 are not available to men who began their military service after July 25, 1947. This means that most of the men disabled during the current campaign in Korea will not receive the kind of rehabilitation benefits which were extended to the disabled veterans of the last war unless new legislation is enacted. I hope that such legislation will receive favorable action by the Congress before the close of this session.

Disabled veterans will need rehabilitation assistance first of all. Later they may also need other kinds of help in readjusting to civilian status. The next Congress will have

an opportunity to give full consideration to their longer range needs and to those of the able-bodied men, now in service, who will eventually be returned to civil life. In planning to meet these needs it will, of course, be essential to relate any new benefits to the readjustment problems which will actually face our future veterans. It will be necessary to review with care the experience gained in the veterans readjustment programs after World War II. This will take time.

Meanwhile, however, there is no reason for delay in meeting the immediate needs of the disabled servicemen who are now being released by the armed forces.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

On December 28, 1950, the President approved a bill "to extend to certain persons who served in the military, naval, or air service on or after June 27, 1950, the benefits of Public Law Numbered 16, Seventy-eighth Congress, as amended" (64 Stat. 1121).

299 Address Before the Midcentury White House Conference on Children and Youth. December 5, 1950

Mr. Chairman, ladies and gentlemen:

As we meet here today, the serious crisis in world affairs overshadows all that we do. This country of ours, together with the other members of the United Nations, is engaged in a critical struggle to uphold the values of peace and justice and freedom.

We are struggling to preserve our own liberty as a nation. More than that, we are striving to cooperate with other free nations to uphold the basic values of freedom—for peace based on justice—which are essential for the progress of mankind.

As we engage in that struggle, we must preserve the elements of our American way of life that are the basic source of our strength. This is the purpose of this Midcentury White House Conference on Children and Youth. We are seeking ways to help our children and young people become mentally and morally stronger, and to make them better citizens. I think you should go right ahead with this work, because it is more important now than it has ever been.

Our thoughts and prayers are with our young men who are fighting in Korea.

They are engaged in a battle against tremendous odds. The full effort of the united people of this country is behind them. All of us are aware of the grave risk of general conflict which has been deliberately caused by the Chinese Communist leaders. Their action greatly changes the immediate situation with which we are confronted. It does not change our fundamental purpose to work for the cause of a just and peaceful world.

No matter how the immediate situation may develop, we must remember that the fighting in Korea is but one part of the tremendous struggle of our time—the struggle between freedom and Communist slavery. This struggle engages all our national life, all our institutions, and all our resources. For the effort of the evil forces of communism to reach out and dominate the world confronts our Nation and our civilization with the greatest challenge in our history.

I believe the single most important thing our young people will need to meet this critical challenge in the years ahead is moral strength—and strength of character. I know that the work of this conference will be of tremendous assistance in the urgent task of helping our young people achieve the strength of character they will need.

If we are to give our children the training that will enable them to hold fast to the right course in these dangerous times, we must clearly understand the nature of the crisis. We must understand the nature of the threat created by international communism.

In the first place, it is obviously a military threat. The Communist dominated countries are maintaining large military forces—far larger than they could possibly need for peaceful purposes. And they have shown by their actions in Korea that they will not hesitate to use these forces in armed aggression whenever it suits their evil purposes.

Because of this military threat, we must strengthen our military defenses. We are now engaged in a great program of rearmament. This will change the lives of our young people. A great many of them will have to devote some part of their lives to service in our Armed Forces or other defense activities. In no other way can we insure our survival as a nation.

Our objective is not simply to build up our own Armed Forces. Our objective is to help build up the collective strength of the free nations—the nations which share the ideals and aspirations of free men everywhere.

As a matter of defense, we need the combined resources and the common determination of the free world to meet the military threat of communism.

But our problem is more than a military matter. Our problem and our objective is to build a world order based on freedom and justice. We have worked with the free nations to lay the foundations of such a world order in the United Nations. We must remain firm in our commitment to the United Nations. That is the only way out of an endless circle of force and retaliation, violence and war—which will carry the human race back to the Dark Ages if it is not stopped now. And this is a point that we must make sure our children and young people understand.

The threat of communism has other aspects than the military aspect. In some ways the moral and spiritual dangers that flow from communism are a much more serious threat to freedom than are its military power.

The ideology of communism is a challenge to all the values of our society and of our way of life. Some people are most concerned about the Communist threat to our economic system. But, serious as this is, it is only one of the many problems that communism raises.

Communism attacks our main basic

values, our belief in God, our belief in the dignity of man and the value of human life, our belief in justice and freedom. It attacks the institutions that are based on these values. It attacks our churches, our guarantees of civil liberty, our courts, our democratic form of government. Communism claims that all these things are merely tools of self-interest and greed—that they are weapons used by one class to oppress another.

We who live in this country know, from our own experience, how false this attack of communism is. But there are many people in other parts of the world who have suffered injustice, who have been oppressed, or who stagger under burdens of poverty or disease, to whom the false doctrines of communism have an appeal. Every time our American institutions fail to live up to their high purposes, every time they fail in the proper administration of justice, the forces of communism are aided in their attempt to poison the minds of men everywhere against us and our institutions.

Our teachers—and all others who deal with our young people—should place uppermost the need for making our young people understand our free institutions and the values upon which they rest. We must fight against the moral cynicism—the materialistic view of life—on which communism feeds. We must teach the objectives that lie behind our institutions, and the duty of all our citizens to make those institutions work more perfectly. Nothing is more important than this. And nothing this conference can do will have a greater effect on the world struggle against communism than spelling out ways in which our young people can better understand our democratic institutions. We must teach them why we must fight, when necessary, to defend our democratic institutions, our belief in the rights of the individual, and our fundamental belief in God.

These White House Conferences have done much, over the years, to make our people and our Government conscious of our social problems, as they affect children, and to help solve those problems. These conferences have made our democracy work better—have aided it to carry out its promise of a better life for all.

In this fifth conference of this White House series you are carrying on that great tradition. This year you are mainly concerned with the mental and moral health of our children. And that is exactly what you should be concerned with at this time.

I do not claim to be an expert in these things, and I know that I am addressing a conference of experts, but I think there are certain fundamental factors in the development of the American character that it is necessary for us to look to.

That reminds me, when I was running the county at home—Jackson County—we had a welfare department. And it occurred to me that we needed an expert in that welfare department, and I succeeded in getting a couple of fine women to come out and help us carry on that program. The director of welfare came to me one day, all out of breath, and he said, “Now Judge, I don’t think this thing is going to work. I find that these experts of yours never washed a dish or pinned a diaper in their lives.” It did work, however, and it was a very satisfactory outcome we had with that welfare department.

The basis of mental and moral strength for our children lies in spiritual things. It lies first of all in the home. And next, it lies in the religious and moral influences which are brought to bear on the children.

If children have a good home—a home in which they are loved and understood—and if they have good teachers in the first few grades of school, I believe they are well started on the way toward being useful and

honorable citizens.

I have always considered my mother and father as my first great influence. I was lucky to have picked the right mother and father.

I have always considered that my first, second, and third grade teachers made an immense contribution to any character that I may have at the present time. And I do not think I am being old-fashioned when I say that they ought to have religious training when they are young, and that they will be happier for it and better for it the rest of their lives.

In the days ahead there will be many cases in which we will have to make special efforts to see that children get a fair chance at the right kind of start in life. For as our defense effort is increased, special problems will be created by the disruption of the lives of many families.

When the White House Conference was held in 1940, the nature of the defense problems which lay ahead was not very clear to those who participated. But in the years that followed we found that the defense program created many problems that affected our children. There were problems of migration, problems of divided families, working mothers, inadequate housing at defense centers and military camps, lack of community services and of facilities for education and child welfare.

Today we know much more about these problems, and our recent experience in trying to solve them is fresh in the minds of most of us. I know the work of this conference will give us some important guidelines as to how we can handle these matters best. Our defense effort is all-important, but we must do everything we can to see that it does not handicap the lives of children who are affected by it. The delegates to this conference can help us do a better job

this time in meeting our defense problems. This is a vital part of the work of helping to make a healthier and happier life for all our children in the years ahead.

We must remember, in all that we do at this conference and afterward, that we cannot insulate our children from the uncertainties of the world in which we live or from the impact of the problems which confront us all. What we can do—and what we must do—is to equip them to meet these problems, to do their part in the total effort, and to build up those inner resources of character which are the main strength of the American people.

Individual self-reliance and independence of spirit are the greatest sources of strength in this democracy of ours. They mark the difference between free countries and dictatorships.

The great weakness of dictatorships is that they enslave the minds and the characters of the people over whom they rule. And the effects of this enslavement are most serious in the case of children.

I have been told by people who worked in Germany immediately after the last war that the young people in that country were physically among the healthiest in Europe. But they had been enslaved, mentally and morally, by the dictatorship, and when these controls were destroyed—when they were put on their own—these children just didn't know what to do. Brought up under dictatorial rule, they were unable to take care of themselves after the dictatorship had fallen. It takes time to correct this. The same weakness is characteristic of the Communist dictatorships where the children are just as much slaves of the state as they were under the Nazis.

Our form of society is strong exactly where dictatorships are weak. We believe in self-reliant individuals. That is the goal of our

system of education and training—and that is the goal of this conference.

I know that this conference will make important findings concerning the ways we must adopt to meet this goal. I know that its labors will have value for years to come. The country looks to you for guidance, for help, and for inspiration. You have a great role to play in holding up the torch of freedom which this Nation has sworn to uphold,

and which with God's help we shall continue to uphold.

NOTE: The President spoke at 10:15 a.m. at the National Guard Armory in Washington. His opening words "Mr. Chairman" referred to Oscar E. Ewing, Federal Security Administrator and chairman of the National Committee, Midcentury White House Conference on Children and Youth. The conference was held in Washington, December 3-7, 1950.

The address was broadcast.

300 Statement by the President on the Death of Charles G. Ross. *December 5, 1950*

THE FRIEND of my youth, who became a tower of strength when the responsibilities of high office so unexpectedly fell to me, is gone. To collect one's thoughts to pay tribute to Charles Ross in the face of this tragic dispensation is not easy. I knew him as boy and as man. In our high school years together he gave promise of these superb intellectual powers which he attained in after-life. Teachers and students alike acclaimed him as the best all-round scholar our school had produced.

His years of preparation were followed by an early maturity of usefulness. In the many roles of life he played his part with exalted honor and an honesty of purpose from which he never deviated. To him as a newspaperman truth was ever mighty as he pursued his work from Washington to the capitals of Europe and to far continents.

Here at the White House the scope of his influence extended far beyond his varied and complex and always exacting duties as Secretary to the President. He was in charge of press and radio, a field which has steadily

broadened in recent years with continuous advance in the technique of communications. It was characteristic of Charlie Ross that he was holding a press conference when the sudden summons came. We all knew that he was working far beyond his strength. But he would have it so. He fell at his post, a casualty of his fidelity to duty and his determination that our people should know the truth, and all the truth, in these critical times.

His exacting duties did not end with his work as Press Secretary. More and more, all of us came to depend on the counsel on questions of high public policy which he could give out of the wealth of his learning, his wisdom, and his farflung experience. Patriotism and integrity, honor and honesty, lofty ideals and nobility of intent were his guides and ordered his life from boyhood onward. He saw life steady and saw it whole. We shall miss him as a public servant and mourn him as a friend.

NOTE: Charles G. Ross served as Secretary to the President from May 15, 1945, until his death on December 5, 1950.

301 Joint Statement Following Discussions With the Prime Minister of Great Britain. *December 8, 1950*

SINCE Prime Minister Attlee arrived in Washington on December 4, six meetings between the President and Mr. Attlee have been held. Among those who participated as advisors to the President were the Secretary of State Dean Acheson, the Secretary of the Treasury John W. Snyder, the Secretary of Defense General George C. Marshall, the Secretary of the Interior Oscar L. Chapman, the Secretary of Commerce Charles Sawyer, the Chairman of the Joint Chiefs of Staff General of the Army Omar N. Bradley, Mr. W. Averell Harriman, the Chairman of the National Security Resources Board W. Stuart Symington, and Ambassador-designate Walter S. Gifford. Mr. Attlee's advisors included the British Ambassador, Sir Oliver S. Franks, Field Marshal Sir William Slim, Chief of the Imperial General Staff, Marshal of the Royal Air Force Lord Tedder, Sir Roger Makins and Mr. R. H. Scott of the Foreign Office, and Sir Edwin Plowden, Chief of the Economic Planning Staff.

At the conclusion of their conferences, the President and the Prime Minister issued the following joint statement:

We have reviewed together the outstanding problems facing our two countries in international affairs. The objectives of our two nations in foreign policy are the same: to maintain world peace and respect for the rights and interests of all peoples, to promote strength and confidence among the freedom-loving countries of the world, to eliminate the causes of fear, want and discontent, and to advance the democratic way of life.

We first reviewed the changed aspect of world affairs arising from the massive intervention of Chinese Communists in Korea. We have discussed the problems of the Far East and the situation as it now presents

itself in Europe. We have surveyed the economic problems and the defense programs of our respective countries, and particularly the existing and threatened shortages of raw materials. We have considered the arrangements for the defense of the Atlantic community, and our future course in the United Nations.

The unity of objectives of our two countries underlay all the discussions. There is no difference between us as to the nature of the threat which our countries face or the basic policies which must be pursued to overcome it. We recognize that many of the problems which we have discussed can only be decided through the procedures of the United Nations or the North Atlantic Treaty Organization.

The peoples of the United States and the United Kingdom will act together with resolution and unity to meet the challenge to peace which recent weeks have made clear to all.

The situation in Korea is one of great gravity and far-reaching consequences. By the end of October, the forces of the United Nations had all but completed the mission set for them by the United Nations "to repel the armed attack and to restore international peace and security in the area." A free and unified Korea—the objective which the United Nations has long sought—was well on the way to being realized. At that point Chinese Communist forces entered Korea in large numbers, and on November 27 launched a large-scale attack on the United Nations troops. The United Nations forces have the advantage of superior air power and naval support, but on the ground they are confronted by a heavy numerical superiority.

The United Nations forces were sent into Korea on the authority and at the recom-

mentation of the United Nations. The United Nations has not changed the mission which it has entrusted to them and the forces of our two countries will continue to discharge their responsibilities.

We were in complete agreement that there can be no thought of appeasement or of rewarding aggression, whether in the Far East or elsewhere. Lasting peace and the future of the United Nations as an instrument for world peace depend upon strong support for resistance against aggression.

For our part we are ready, as we have always been, to seek an end to the hostilities by means of negotiation. The same principles of international conduct should be applied to this situation as are applied, in accordance with our obligations under the Charter of the United Nations, to any threat to world peace. Every effort must be made to achieve the purposes of the United Nations in Korea by peaceful means and to find a solution of the Korean problem on the basis of a free and independent Korea. We are confident that the great majority of the United Nations takes the same view. If the Chinese on their side display any evidence of a similar attitude, we are hopeful that the cause of peace can be upheld. If they do not, then it will be for the peoples of the world, acting through the United Nations, to decide how the principles of the Charter can best be maintained. For our part, we declare in advance our firm resolve to uphold them.

We considered two questions regarding China which are already before the United Nations. On the question of the Chinese seat in the United Nations, the two governments differ. The United Kingdom has recognized the Central People's Government and considers that its representatives should occupy China's seat in the United Nations. The United States has opposed and continues to oppose the seating of the Chinese communist representatives in the United Na-

tions. We have discussed our difference of view on this point and are determined to prevent it from interfering with our united effort in support of our common objectives.

On the question of Formosa, we have noted that both Chinese claimants have insisted upon the validity of the Cairo Declaration and have expressed reluctance to have the matter considered by the United Nations. We agreed that the issues should be settled by peaceful means and in such a way as to safeguard the interests of the people of Formosa and the maintenance of peace and security in the Pacific, and that consideration of this question by the United Nations will contribute to these ends.

The free nations of Asia have given strong support to the United Nations and have worked for world peace. Communist aggression in Korea increases the danger to the security and independence of these nations. We reaffirm our intention to continue to help them.

The pressure of communist expansion existed in Europe and elsewhere long before the aggression against Korea, and measures were taken to meet it. The need to strengthen the forces of collective security had already been recognized and action for this purpose is under way. Clearly, decisions regarding the Far East have their repercussions and effects elsewhere. In considering the necessities of the Far Eastern situation, we have kept in mind the urgency of building up the strength of the whole free world. We are in complete agreement on the need for immediate action by all the North Atlantic Treaty countries to intensify their efforts to build up their defenses and to strengthen the Atlantic Community.

We recognize that adequate defense forces are essential if war is to be prevented.

Accordingly, we have reached the following conclusions:

1. The military capabilities of the United

States and the United Kingdom should be increased as rapidly as possible.

2. The two countries should expand the production of arms which can be used by the forces of all the free nations that are joined together in common defense. Together with those other nations the United States and the United Kingdom should continue to work out mutual arrangements by which all will contribute appropriately to the common defense.

We agreed that as soon as the plan now nearing completion in the North Atlantic Treaty Organization for an effective integrated force for the defense of Europe is approved, a Supreme Commander should be appointed. It is our joint desire that this appointment shall be made soon.

In addition to these decisions on increasing our military strength, we have agreed that the maintenance of healthy civilian economies is of vital importance to the success of our defense efforts. We agreed that, while defense production must be given the highest practicable priority in the case of raw materials whose supply is inadequate, the essential civilian requirements of the free countries must be met so far as practicable. In order to obtain the necessary materials and to devote them as rapidly as possible to these priority purposes, we have agreed to work closely together for the purpose of increasing supplies of raw materials. We have recognized the necessity of international action to assure that basic raw materials are distributed equitably in accordance with defense and essential civilian needs. We discussed certain immediate

problems of raw materials shortages and consideration of these specific matters will continue. We are fully conscious of the increasing necessity of preventing materials and items of strategic importance from flowing into the hands of those who might use them against the free world.

In the circumstances which confront us throughout the world our nations have no other choice but to devote themselves with all vigor to the building up of our defense forces. We shall do this purely as a defensive measure. We believe that the communist leaders of the Soviet Union and China could, if they chose, modify their conduct in such a way as to make these defense preparations unnecessary. We shall do everything that we can, through whatever channels are open to us, to impress this view upon them and to seek a peaceful solution of existing issues.

The President stated that it was his hope that world conditions would never call for the use of the atomic bomb. The President told the Prime Minister that it was also his desire to keep the Prime Minister at all times informed of developments which might bring about a change in the situation.

In this critical period, it is a source of satisfaction to us that the views of our governments on basic problems are so similar. We believe that this identity of aims will enable our governments to carry out their determination to work together to strengthen the unity which has already been achieved among the free nations and to defend those values which are of fundamental importance to the people we represent.

302 White House Statement Concerning a Meeting With the Congressional Leaders To Discuss the National Emergency. *December 13, 1950*

THE PRESIDENT met this forenoon with a bipartisan group of congressional leaders to discuss matters concerning the defense and foreign policy of the United States.

The President, the Secretary of State, and the Secretary of Defense made statements to the group concerning the gravity of the present international situation and the necessity for a very rapid increase in our military strength. The President indicated that a sharp step-up in our mobilization effort to support the increase in our military forces would be needed, and indicated that one of the things under consideration in this connection is the declaration of a national emergency.

The President called on each of the congressional leaders to make comments on these questions. There appeared to be unanimous agreement that our military strength should be built up with the utmost speed. There also appeared to be strong sentiment in favor of declaring a national emergency, although some of those present did not wish to state any views on this question without having an opportunity for further study as to its legal effects.

The President feels that all of those present at the conference approached the subjects under discussion in a constructive manner and that the discussion which took place will be most useful.

303 Radio and Television Report to the American People on the National Emergency. *December 15, 1950*

[Broadcast from the White House at 10:30 p.m.]

My fellow citizens:

I am talking to you tonight about what our country is up against, and what we are going to do about it.

Our homes, our Nation, all the things we believe in, are in great danger. This danger has been created by the rulers of the Soviet Union.

For 5 years we have been working for peace and justice among nations. We have helped to bring the free nations of the world together in a great movement to establish a lasting peace. Against this movement for peace, the rulers of the Soviet Union have been waging a relentless attack. They have tried to undermine or overwhelm the free nations one by one. They have used threats and treachery and violence.

In June the forces of Communist imperialism burst out into open warfare in Korea. The United Nations moved to put down this act of aggression, and by October had all but succeeded.

Then, in November, the Communists threw their Chinese armies into the battle against the free nations.

By this act they have shown that they are now willing to push the world to the brink of a general war to get what they want. This is the real meaning of the events that have been taking place in Korea.

That is why we are in such grave danger.

The future of civilization depends on what we do—on what we do now, and in the months ahead.

We have the strength and we have the

courage to overcome the danger that threatens our country. We must act calmly and wisely and resolutely.

Here are the things we must do:

First, we will continue to uphold, and if necessary to defend with arms, the principles of the United Nations—the principles of freedom and justice.

Second, we will continue to work with the other free nations to strengthen our combined defenses.

Third, we will build up our own Army, Navy, and Air Force, and make more weapons for ourselves and our allies.

Fourth, we will expand our economy and keep it on an even keel.

Now, I want to talk to you about each one of these things.

First: we will continue to uphold the principles of the United Nations.

We have no aggressive purpose. We will not use our strength for aggression. We are a tolerant and restrained people, deeply aware of our moral responsibilities and deeply aware of the horrors of war.

We believe in settling differences by peaceful means, and we have made honest efforts to bring about disarmament. We will continue those efforts, but we cannot yield to aggression.

Though the present situation is highly dangerous, we do not believe that war is inevitable. There is no conflict between the legitimate interests of the free world and those of the Soviet Union that cannot be settled by peaceful means. We will continue to take every honorable step we can to avoid general war.

But we will not engage in appeasement.

The world learned from Munich that security cannot be bought by appeasement.

We are ready, as we always have been, to take part in efforts to reach a peaceful solution of the conflict in Korea. In fact, our representatives at Lake Success are taking

part in just such efforts today.

We do not yet know whether the Chinese Communists are willing to enter into honest negotiations to settle the conflict in Korea. If negotiations are possible, we shall strive for a settlement that will make Korea a united, independent, and democratic country. That is what the Korean people want, and that is what the United Nations has decided they are entitled to have.

Meanwhile, our troops in Korea are continuing to do their best to uphold the United Nations.

General Collins, Chief of Staff of the Army, who returned a few days ago from Korea, reported that our military forces are well organized and well equipped. I am confident that our military forces, together with their comrades in arms from many nations, will continue to give a good account of themselves. They know they are fighting for the freedom and security of their own homes and families.

The danger we face exists not only in Korea. Therefore, the second thing we are going to do is to increase our efforts, with other free nations, to build up defenses against aggression in other parts of the world. In dealing with the Korean crisis, we are not going to ignore the danger of aggression elsewhere.

There is actual warfare in the Far East, but Europe and the rest of the world are also in very great danger. The same menace—the menace of Communist aggression—threatens Europe as well as Asia.

To combat this menace, other free nations need our help, and we need theirs. We must work with a sense of real partnership and common purpose with these nations. We must stand firm with our allies, who have shown their courage and their love of freedom.

The United States, Canada, and the 10 nations of Western Europe who are united

with us in the North Atlantic Treaty have already begun to create combined military defenses. Secretary of State Acheson is flying to Europe on Sunday. He and representatives of these nations will complete the arrangements for setting up a joint army, navy, and air force to defend Europe. The defense of Europe is of the utmost importance to the security of the United States.

We will continue to provide assistance to European countries, and to other free countries in other parts of the world, because their defense is also important to our defense.

The Communist rulers are trying their best to split the free nations apart. If they should succeed, they would do staggering damage to the cause of freedom. Unity with our allies is now, and must continue to be, the foundation of our effort.

Working together, the free nations can create military forces strong enough to convince the Communist rulers that they cannot gain by aggression.

Working together, the free nations can present the common front, backed by strength, which is necessary if we are to be in a position to negotiate successfully with the Kremlin for peaceful settlements.

Working together, we hope we can prevent another world war.

In order to succeed, we in our country have a big job ahead of us.

That is why the third thing we must do to meet the present danger is to step up our defense program.

We are expanding our Armed Forces very rapidly.

We are speeding up the production of military equipment for our Armed Forces and for our allies.

We have a large Navy. We have a powerful Air Force. We have units around which a strong Army can be built. But measured against the danger that confronts us, our forces are not adequate.

On June 25, when the Communists invaded the Republic of Korea, we had less than 1½ million men and women in our Army, Navy, and Air Force. Today, the military strength has reached about 2½ million. Our next step is to increase the number of men and women on active duty to nearly 3½ million.

I have directed the Armed Forces to accomplish this as soon as possible. The Army and the Navy will be able to do this within a few months. It will take the Air Force somewhat longer. In addition to these men and women on active duty, we have about 2 million more in the National Guard and the Reserves who are subject to call.

As a part of the process of achieving a speedier buildup, the number of men to be called up under the Selective Service System has been raised, and two additional National Guard divisions are being ordered to active duty in January.

At the same time we will have a very rapid speedup in the production of military equipment. Within 1 year we will be turning out planes at five times the present rate of production. Within 1 year combat vehicles will be coming off the production line at four times today's rate. Within 1 year the rate of production of electronics equipment for defense will have multiplied 4½ times.

These will not be weapons for our own Armed Forces alone. They will constitute an arsenal for the defense of freedom. Out of this arsenal we will be able to send weapons to other free nations, to add to what they can produce for their own defenses. And in this same arsenal we will provide a large reserve of weapons to equip additional units in our Armed Forces whenever that may be necessary.

Furthermore, while we are working toward these immediate goals in manpower and equipment, we will also expand our

training and production facilities so as to make possible a very rapid expansion to full mobilization if that becomes necessary.

We can handle this production program, but it will require hard work.

It will require us to make a lot of changes in our ordinary ways of doing things.

And this brings me to the fourth big job. In order to build the military strength we need, we will have to expand our production greatly. We must also prevent inflation, and stabilize the cost of living.

If we are to make the weapons we need soon enough, we shall have to cut back on many lines of civilian production. But we cannot build up and maintain our armed might, and the industrial strength underlying it, simply by cutting back civilian production. We must produce more—more steel, more copper, more aluminum, more electric power, more food, more cotton, more of many other things.

We must set very high targets, and be willing to make an all-out effort to reach them. Workers will be called upon to work more hours. More women, and more young people and older workers, will be needed in our plants and factories. Farmers will have to set higher goals of production. Businessmen will have to put all their know-how to work to increase production.

A defense effort of the size we must now undertake will inevitably push up prices, unless we take positive action to hold them down.

We have already taken a number of steps in that direction. We have put restrictions on credit buying. We have increased taxes. And I hope that the Congress will enact an excess profits tax at this session. Still further taxes will be needed. We cannot escape paying the cost of our military program. The more we pay by taxes now, the better we can hold prices down. I have directed that recommendations be prepared, for early

submission to the Congress, to put the increased cost of the defense as nearly as possible on a "pay-as-you-go" basis.

I have also instructed the Director of the Budget to reduce the nonmilitary expenditures in the new Federal budget to the minimum required to give effective support to the defense effort.

The measures I have just mentioned—credit control, higher taxes, and reduced nonmilitary expenditures—are essential. They are our primary defense against inflation, because they strike at the sources of inflation. But as we move into a greatly increased defense effort, we must also take direct measures to keep prices in line.

The Government is starting at once to impose price controls upon a number of materials and products. These will be mainly items important to defense production and the cost of living.

In those fields where price control is imposed, the Government will also undertake to stabilize wages, as the law requires.

In the immediate future a series of control orders will be announced by the Economic Stabilization Agency.

In addition, the Agency will announce fair standards for prices and wages in those cases where mandatory controls are not imposed. I ask everyone concerned not to set prices and wages higher than these standards will allow. If these standards are violated, it will speed up the imposition of mandatory controls, including rollbacks where needed. The chiselers will not be allowed to get by.

As we move ahead with this mobilization effort, there will be increased need for central control over the many Government activities in this field. Accordingly, I am establishing an Office of Defense Mobilization. I am appointing Mr. Charles E. Wilson to be Director of this Office. Mr. Wilson is resigning as president of the General Electric Co. to take this job. In his new position,

he will be responsible for directing all mobilization activities of the Government, including production, procurement, manpower, transportation, and economic stabilization.

The Government is also moving forward with preparations for civil defense. I have appointed former Governor Millard Caldwell of Florida to be Federal Civilian Defense Administrator.

In addition, I have recommended legislation to the Congress which will authorize the Federal Government to help the States and cities in their civil defense preparations. I hope the Congress will enact this legislation soon, so that the civil defense work which has already started can be greatly speeded up.

These are our plans for making our country stronger.

As we go forward we must keep clearly in mind the meaning of what we are doing.

Our freedom is in danger.

Sometimes we may forget just what freedom means to us. It is as close to us, as important to us, as the air we breathe. Freedom is in our homes, in our schools, in our churches. It is in our work and our Government and the right to vote as we please. Those are the things that would be taken from us if communism should win.

Because our freedom is in danger we are united in its defense. Let no aggressor think we are divided. Our great strength is the loyalty and fellowship of a free people. We pull together when we are in trouble, and we do it by our own choice, not out of fear, but out of love for the great values of our American life, that we all have a share in.

In this great defense effort that we are undertaking, things may not always go as smoothly as we would wish, either in Washington or in your hometown. But remember that we are building our defenses in the democratic way; and not by the iron rule of dictatorship.

Those of us who work in the Government will do our best. But the outcome depends, as it always has depended, on the spirit and energy of our people.

The job of building a stronger America must be done on our farms, in our factories, and in our homes. It must be done by every one of us, wherever we are, and whatever our jobs may be.

In this time of danger each of us must accept an individual responsibility for the good of the country.

Unfortunately, at this moment a railway union and a large number of its members are out on an unlawful strike that has partially paralyzed our railroad system.

This action has already begun to slow down our industry. It is interfering with the movement of troops; it is holding up equipment for our fighting forces; and our civilian population has begun to suffer.

This strike is a danger to the security of our Nation.

As Commander in Chief, therefore, I call upon the union and its striking members to return to work immediately.

I ask you men who are on strike to realize, that no matter how serious you believe your grievances are, nothing can excuse the fact that you are adding to your country's danger. I ask you, in the name of our country, to return immediately to your posts of duty.

Our fighting men in Korea have set an example that should inspire all of us, including this railroad union. Attacked by superior numbers, and in the bitterest of winter weather, they were resolute, steady, and determined. Their steadfast courage in the face of reverses is one of the most heroic stories of our country's history.

In the days ahead, each of us should measure his own efforts, his own sacrifices, by the standard of our heroic men in Korea.

Many of you who are young people will serve in the Armed Forces of the country.

Nothing you will do later in life will be of greater benefit to your homes, your communities, or your friends.

Many others of you will have to work longer hours in factories or mines or mills. Think of this not as longer hours, but as more planes, more tanks, more ships, more of all the things that are needed for the defense of your homes and your way of life.

All of us will have to pay more taxes and do without things we like. Think of this, not as a sacrifice, but as an opportunity, an opportunity to defend the best kind of life that men have ever devised on this earth.

As I speak to you tonight, aggression has won a military advantage in Korea. We should not try to hide or explain away that fact.

By the same token, we should draw renewed courage and faith from the response of the free world to that aggression. What the free nations have done in Korea is right, and men all over the world know that it is right. Whatever temporary setbacks there may be, the right will prevail in the end.

Because of all these things I have been talking with you about, I will issue a procla-

mation tomorrow morning declaring that a national emergency exists. This will call upon every citizen to put aside his personal interests for the good of the country. All our energies must be devoted to the tasks ahead of us.

No nation has ever had a greater responsibility than ours has at this moment. We must remember that we are the leaders of the free world. We must understand that we cannot achieve peace by ourselves, but only by cooperating with other free nations and with the men and women who love freedom everywhere.

We must remember that our goal is not war but peace. Throughout the world our name stands for international justice and for a world based on the principles of law and order. We must keep it that way. We are willing to negotiate differences, but we will not yield to aggression. Appeasement of evil is not the road to peace.

The American people have always met danger with courage and determination. I am confident we will do that now, and with God's help we shall keep our freedom.

304 Proclamation 2914: Proclaiming the Existence of a National Emergency. *December 16, 1950*

By the President of the United States of America a Proclamation

WHEREAS recent events in Korea and elsewhere constitute a grave threat to the peace of the world and imperil the efforts of this country and those of the United Nations to prevent aggression and armed conflict; and

WHEREAS world conquest by communist imperialism is the goal of the forces of aggression that have been loosed upon the world; and

WHEREAS, if the goal of communist imperialism were to be achieved, the people of

this country would no longer enjoy the full and rich life they have with God's help built for themselves and their children; they would no longer enjoy the blessings of the freedom of worshipping as they severally choose, the freedom of reading and listening to what they choose, the right of free speech including the right to criticize their Government, the right to choose those who conduct their Government, the right to engage freely in collective bargaining, the right to engage freely in their own business enterprises, and the many other freedoms and rights which

are a part of our way of life; and

WHEREAS the increasing menace of the forces of communist aggression requires that the national defense of the United States be strengthened as speedily as possible:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do proclaim the existence of a national emergency, which requires that the military, naval, air, and civilian defenses of this country be strengthened as speedily as possible to the end that we may be able to repel any and all threats against our national security and to fulfill our responsibilities in the efforts being made through the United Nations and otherwise to bring about lasting peace.

I summon all citizens to make a united effort for the security and well-being of our beloved country and to place its needs foremost in thought and action that the full moral and material strength of the Nation may be readied for the dangers which threaten us.

I summon our farmers, our workers in industry, and our businessmen to make a mighty production effort to meet the defense requirements of the Nation and to this end to eliminate all waste and inefficiency and to subordinate all lesser interests to the common good.

I summon every person and every com-

munity to make, with a spirit of neighborliness, whatever sacrifices are necessary for the welfare of the Nation.

I summon all State and local leaders and officials to cooperate fully with the military and civilian defense agencies of the United States in the national defense program.

I summon all citizens to be loyal to the principles upon which our Nation is founded, to keep faith with our friends and allies, and to be firm in our devotion to the peaceful purposes for which the United Nations was founded.

I am confident that we will meet the dangers that confront us with courage and determination, strong in the faith that we can thereby "secure the Blessings of Liberty to ourselves and our Posterity."

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this sixteenth day of December in the year [SEAL] of our Lord nineteen hundred and fifty, and of the Independence of the United States of America the one hundred and seventy-fifth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON

Secretary of State

305 Statement by the President on Secretary Acheson's Attendance at the Council Meetings of the North Atlantic Treaty Powers. *December 17, 1950*

OUR Secretary of State, Dean Acheson, is flying today to represent this country at the council meetings of the North Atlantic Treaty powers. He is leaving at a time when this country and the other nations of the free world stand in their greatest peril.

This is going to be a very important meeting. Out of it will come arrangements for

a friendly integrated European defense system. Such a system will provide the basis for a strong and effective supreme command under distinguished leadership. This will be one more step in our broad plan to strengthen the free nations of the world for peace.

Our foreign policy must be a continuing

and consistent policy. We shall continue here and in other areas of the world to build our strength and the strength of our allies to maintain peace in the world.

This meeting in Brussels will show that,

contrary to Communist hopes, the peoples of the North Atlantic Community are determined to remain united.

Secretary Acheson goes to this meeting with my complete confidence.

306 Statement by the President Making Public a Report by the Water Resources Policy Commission. *December 17, 1950*

I HAVE TODAY received the report of the Water Resources Policy Commission which I appointed in January 1950. When I named this Commission I asked it to study and make recommendations to me on existing legislation and policies in the water resources field.

The report of the Commission offers for the consideration of the American people a coordinated national program for the development of our water resources. It is based on the principle that the use of water must be intelligently planned; and that the treatment of water users—industrial, municipal, and agricultural—must be consistent with the best interests of the country.

Recent shortages of water in some parts of the country, and disastrous floods in others have shown the need for united action in planning, developing, and administering our water resources. Water—as essential to the maintenance of life as air—must be captured and stored where it is found in abundance. Yet, any plan for the development of water resources must consider the needs of both urban and rural people, and of industry. Plans for water development can no longer be made successfully by individual interests, whether they are private or public; whether they are local, State, or Federal. To func-

tion successfully, all must plan together, irrespective of the construction and operation of facilities. The urgency of wise planning and successful operation is particularly great just now because of the importance of available water to critical defense needs.

This report is the result of several months of intensive labor by the members of the Commission, by a large number of Government agencies, scientific bodies, State and municipal authorities, and by private individuals concerned with water problems. I am grateful to the members of the Commission, and to all the individuals and organizations who worked with them, for their contribution toward the solution of this challenging and important problem. I invite the American people to give it full and careful consideration.

NOTE: The report, the first of three volumes in a series, is entitled "A Water Policy for the American People (General Report)" (445 pp., Government Printing Office, 1950). The other two volumes, entitled "Ten Rivers in America's Future" and "Water Resources Law," were submitted to the President in February 1951.

The President's Water Resources Policy Commission was established by Executive Order 10095 of January 3, 1950 (3 CFR, 1949-1953 Comp., p. 291). It was composed of the following members: Morris L. Cooke, chairman, Gilbert F. White, vice chairman, Paul S. Burgess, Lewis Webster Jones, Samuel B. Morris, Leland Olds, and Roland R. Renne.

See also Item 1.

307 Letter to the President of the Senate and to the Speaker
of the House Asking for Additional Emergency
Legislation. December 18, 1950

My dear ————:

The defense effort we are now undertaking in order to meet the critical world situation will call for the use of a number of emergency powers. Many of these powers can be exercised under the authority of legislation now in effect. It is clear, however, that, as our mobilization program moves forward, there will be need for additional legislative authority. A number of proposals for new legislation are now being studied in the Executive Branch, and I expect to transmit recommendations to the Congress from time to time for emergency legislation as it becomes necessary.

Two of the measures which we know will be needed are of such importance for the tasks immediately ahead, that I wish to request action by the present Congress before adjournment.

The first of these is legislation along the general lines of Title I of the First War Powers Act, 1941, which contained the emergency reorganization powers available to the President during World War II.

The current mobilization effort requires that the President be able to adjust from time to time, by rapid Executive action, the organization of the Executive Branch. Clear authority should be provided to establish such defense agencies as may be required, to coordinate, consolidate, transfer and utilize existing agencies and officers, and to rearrange Government functions and personnel. Only in this way can the organization of the Executive Branch be kept continuously in line with the evolving requirements of defense mobilization.

In World War II the provisions of Title I of the First War Powers Act, 1941, were

used extensively in matters of vital importance to the war effort. For example, there were established under the authority of that title such major agencies as the War Production Board, the War Manpower Commission, and the War Shipping Administration.

It is clear that in a number of instances there may be need for similar kinds of action very quickly, as the present defense program moves forward. The Director of Defense Mobilization, Mr. Wilson, is already beginning to review the scope and character of our present programs and organizational arrangements in relation to the expanding job which lies ahead. As soon as changes are found to be necessary, the President should be enabled to place them in effect. Delay would only hamper the over-all effort. Therefore, it is of great importance that the necessary legislative authority be made available now, for the duration of the national emergency.

As was the case in World War II, these powers will not be used to make permanent changes in the organization of the Government. The changes that will be made under this authority will be temporary in nature, for the purpose of furthering the defense effort. When the emergency has ended, the agencies affected will revert to their present status unless further action is taken by the Congress.

The second of these measures on which I wish to request action by the Congress before adjournment of the present session is legislation along the lines of Title II of the First War Powers Act, 1941, which contained the emergency contracting provisions in effect during World War II.

The authority to let contracts through ne-

gotiation can now be exercised as a result of the declaration of a national emergency. However, there is considerable doubt as to whether authority now exists for modifying contracts after they have been entered into.

It is already apparent that the agencies responsible for defense production will need authority to modify existing contracts in order to avoid undue delays in production and to keep suppliers in business on Government work.

For example, some Government suppliers now face possible bankruptcy because fixed prices in their Government contracts are entirely inadequate to meet rising costs. In certain cases, contract price adjustments are essential to keep these firms in production. Other Government contractors, engaged in especially hazardous work for the military services, may have to be indemnified promptly for damage to facilities and equip-

ment in order that repairs or replacement may be undertaken without delay.

In these and many other instances, contract adjustments are needed to speed defense procurement. Therefore, I urge that Title II powers again be made available, so long as the emergency lasts.

Representatives of the Executive Branch stand ready to furnish the appropriate committees of the Senate and the House of Representatives any information or assistance which may be desired in connection with these matters.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

On January 12, 1951, the President approved a bill "to amend and extend title II of the First War Powers Act, 1941" (64 Stat. 1257).

308 Message to the Secretary of State Designating General Eisenhower as Supreme Allied Commander, Europe.

December 19, 1950

[Released December 19, 1950. Dated December 18, 1950]

PURSUANT to the request of the North Atlantic Council that I designate a U.S. officer to take the position of Supreme Allied Commander, Europe, I have designated General of the Army Dwight D. Eisenhower. In taking this action I wish to express both my gratification and agreement with the view of the North Atlantic Council that General Eisenhower's experience and talents make him uniquely qualified to assume the important responsibilities of this position.

HARRY S. TRUMAN

NOTE: The President's message was in reply to the following telegram from Secretary of State Acheson:

"The North Atlantic Council today completed arrangements for the establishment of an integrated European defense force. This plan provides that the Supreme Allied Commander, Europe, be a U.S. officer. The Council has asked me to transmit to you its request that you designate a U.S. officer to take this position. At the time this action was taken the members of the Council expressed their earnest hope that you will find it possible to designate General of the Army Dwight D. Eisenhower for the position of Supreme Allied Commander, Europe.

"DEAN ACHESON"

See also Item 310.

309 The President's News Conference of December 19, 1950

THE PRESIDENT. Please be seated, ladies and gentlemen.

[I.] I have a statement that I want to read to you that probably will save you some questions. I will take it real slowly, because the mimeographed copies may not be over here as promptly as they should be, but they will be ready almost immediately after the conference.

Q. Mr. President, if you get ahead of us, do you mind if we stop you?

THE PRESIDENT. No, that's all right.

[Reading] "There have been new attacks within the past week against the Secretary of State, Mr. Acheson. I have been asked to remove him from office, and the authors of this suggestion claim that this would be good for the country."

Q. You're ahead of me, sir.

THE PRESIDENT. You're going to take it all down in longhand?

Q. Worse than that, I'm practicing my new shorthand. [Laughter]

THE PRESIDENT. [Reading] "The authors of this suggestion claim that this would be good for the country."

That's all right—whenever I go too fast, I'll stop.

[Reading] "How our position in the world would be improved by the retirement of Dean Acheson from public life is beyond me. Mr. Acheson has helped shape and carry out our policy of resistance to Communist imperialism. From the time of our sharing of arms with Greece and Turkey nearly 4 years ago, and coming down to the recent moment when he advised me to resist the Communist invasion of South Korea, no official in our Government has been more alive to communism's threat to freedom or more forceful in resisting it.

"At this moment, he is in Brussels representing the United States in setting up a mutual defense against aggression. This has made it possible for me to designate General Eisenhower as Supreme Allied Commander in Europe.

"If communism were to prevail in the world—as it shall not prevail—Dean Acheson would be one of the first, if not the first, to be shot by the enemies of liberty and Christianity.

"These recent attacks on Mr. Acheson are old, in the sense that they are the same false charges"—and I emphasize that *false charges*—"that have been made time and again over a period of months. They have no basis in fact whatever.

"It is the same thing that happened to Seward. President Lincoln was asked by a group of Republicans to dismiss Secretary of State Seward. He refused. So do I refuse to dismiss Secretary Acheson.

"If I did anything else, it would weaken the firm and vigorous position this country has taken against Communist aggression.

"If those groups attacking our foreign policy and Mr. Acheson have any alternative policies to offer, they should disclose them. They owe it to the country. This is a time for hard facts and close thinking. It is not a time for vague charges and pious generalities.

"There are some Republicans who recognize the facts and the true reasons for these attacks on Secretary Acheson, and who do not agree with their colleagues.

"This Nation needs the wisdom of all its people. This is a time of great peril. It is a time for unity, and for real bipartisanship. It is a time for making use of the great talents of men like Dean Acheson.

"Communism—not our own country—would be served if we lost Mr. Acheson."

Q. Mr. President, you said to us quite recently that you would cut loose on us one of these days. In telling us this about Dean Acheson, is this it?

THE PRESIDENT. This is it. [*Laughter*]

Q. Are there any further details now on the insides of recent policymaking, in which Mr. Acheson has figured strongly—with Congress?

THE PRESIDENT. Well, Mr. Acheson and the leaders of the Congress, General Marshall and myself, and the Secretary of the Treasury, were present with these leaders, and the discussion was very amicable, and there was no objection that I could find to the foreign policy of the United States. That has been a continuing policy since 1939, and I have had four Secretaries of State, and the policy has not changed since I have been President of the United States. Nobody has been quarreling with that policy. These are personalities. The personalities in this last campaign were vicious. There were no issues discussed. People were slandered, and that is what has caused this situation. And I am very sorry for it, because it is not the right way for a two-party system to work.

[2.] Q. Mr. President, speaking of General Marshall, there was a story in print yesterday afternoon and this morning that Mr. Symington¹ will replace Secretary Marshall early next year. Is that true?

THE PRESIDENT. That's the first I've heard of it. There is nothing to it. Mr. Symington has a very important job, which he is filling in a very satisfactory manner, and he is going to stay there. And General Marshall is going to continue to be Secretary of Defense. And Mr. Lovett² is going to con-

tinue to be his Under Secretary, or Assistant Secretary—whatever his proper name is.

[3.] Q. Mr. President, in line with what you have been telling us about foreign policy, a number of writers believe that there is a—as they put it—a wave of isolationism rising in the United States. Do you feel that condition to exist?

THE PRESIDENT. I don't think there is any wave of isolationism, outside of the Chicago Tribune and those papers. [*Laughter*]

[4.] Q. Mr. President, there has been a book attacking the FBI by Mr. Lowenthal.³ Do you approve or endorse that book?

THE PRESIDENT. I haven't read the book, and I have no reason to approve or disapprove of it. Mr. Lowenthal had a perfect right to write any kind of book he wants to.

Q. Mr. President, I would like to ask also, since J. Edgar Hoover is still on the job, does that indicate he still has your full approval?

THE PRESIDENT. Mr. Hoover has always been well thought of by me.

[5.] Q. Mr. President, I would like to ask a question contradictory to the one that was asked a few moments ago about isolationism. I understand that the White House is getting a great deal of mail from all over the country, especially from the Southwest, that is anything but isolationist, it means fight?

THE PRESIDENT. That is correct. That is the way the majority of the mail always runs when the United States gets into trouble. All the people are behind the Government, and they are now; don't let anybody fool you about that.

[6.] Q. Mr. President, this question is on behalf of the religious news services. A number of religious leaders, particularly in the South, have urged you to call a national day of prayer. Does the letter recently made

¹ W. Stuart Symington, Chairman of the National Security Resources Board.

² Robert A. Lovett, Deputy Secretary of Defense.

³ Max Lowenthal, "The Federal Bureau of Investigation," New York: Sloane, 1950.

public by Representative Hébert close the door on this suggestion, or is it still under consideration?

THE PRESIDENT. No, it doesn't close the door. It never has been closed. And I think if you read my Thanksgiving proclamation, you will find that I asked for it then.⁴ And I am preparing a Christmas proclamation which I think will satisfy you, and the religious leaders, too.

[7.] Q. Mr. President, what do you think of the General Motors counterfreeze on the sale of cars, after the Government's freeze of prices?

THE PRESIDENT. The law will be enforced.

[8.] Q. Mr. President, there is a report of the Allies approving a German air force to begin to defend Western Europe. Is that a part of our program—

THE PRESIDENT. I can't answer the question for I haven't received the telegrams as yet which tell about the agreement, and I can't comment on it until I get all the facts and information, which I will get tomorrow from Dean Acheson when he comes back.

[9.] Q. Mr. President, can you elaborate on "the law will be enforced"? Does that mean that the price will have to go back to December—

THE PRESIDENT. The price will go back where the Economic Administrator says it shall go.

Q. Mr. President, does that mean that you think the Government then, sir, could force

⁴ On December 5, 1950, Representative F. Edward Hébert of Louisiana sent a letter to the President suggesting that he "call upon the churches of America, Catholic, Protestant, and Jewish, to set aside a Sunday between now and Christmas, to appeal to Almighty God for guidance and wisdom in what I believe to be the Gethsemane of our existence." The letter is printed in the Congressional Record along with the President's reply (vol. 96, p. A7834).

Proclamation 2909 "Thanksgiving Day, 1950," signed by the President on October 19, requested all citizens to give thanks to God and to pray for peace (3 CFR, 1949-1953 Comp., p. 95).

any motor company to unfreeze its cars and sell them at that price?

THE PRESIDENT. That is a matter that—we will cross that bridge when we get to it.

[10.] Q. Mr. President, do I understand that you as of today have designated General Eisenhower as commander in chief?⁵

THE PRESIDENT. As commander in chief of the Allied forces in Europe, he has exactly the same position in Europe that MacArthur has in Asia.

Q. Mr. President, is it your intention to designate American forces in the near future to be a part of that army?

THE PRESIDENT. Yes.

Q. Additional American forces?

THE PRESIDENT. Yes.

Q. Could you say how many?

THE PRESIDENT. No, I can't. I can't do that. If I knew I wouldn't tell you.

Q. Or how soon, sir?

THE PRESIDENT. Just as soon as it is possible to get ready. That is the reason for this emergency I have just declared.

Q. Mr. President, how soon does General Eisenhower expect to go, do you know?

THE PRESIDENT. I talked to him last night on the telephone, and he is coming in to see me, and then he is going to Europe as promptly as possible.

[11.] Q. Are you going home for Christmas, Mr. President?

THE PRESIDENT. Well, I don't know. I had hoped to go on Friday, but whether I will be able to make it or not I can't tell you exactly; but then you fellows might keep your grips packed—you might need them.

[12.] Q. Mr. President, could you say anything about General Eisenhower's staff?

THE PRESIDENT. No, I cannot. That is up to General Eisenhower.

Q. Mr. President, I understood you to say that General Eisenhower's position would be

⁵ See Items 308 and 310.

exactly the same as General MacArthur's—

THE PRESIDENT. He will be the commander in chief of the Allied forces in Europe, at their request. They requested me to appoint a commander in chief of Allied forces in Europe, just as they requested me to appoint a commander in chief of Allied forces in Asia; and that is what I have done.

Q. I was thinking, Mr. President, that General MacArthur is working under the United Nations?

THE PRESIDENT. Well, he is also commander in chief of the Allied forces in Asia, to which position he was appointed before the United Nations asked for his services.

Q. Mr. President, can you say how soon American divisions will be moving—

THE PRESIDENT. No, I can't—no, I can't. As I say, if I could I wouldn't tell you. You fellows ought to have some ideas of security the same as I have.

Q. Well, perhaps this question doesn't violate security?

THE PRESIDENT. All right.

Q. Will it be a National Guard division?

THE PRESIDENT. I can't answer that.

[13.] Q. Mr. President, the State Department announced on Saturday that under your instructions the United States is calling a special meeting of American foreign ministers. Could you tell me what importance you attach to that meeting?

THE PRESIDENT. I didn't understand the question. Will you please ask it again?

Q. The State Department announced on Saturday that under your instructions the United States is calling a special conference of the hemisphere foreign ministers to consider urgent problems of the—

THE PRESIDENT. You mean Western Hemisphere?

Q. Yes, sir.

THE PRESIDENT. That is correct. It is economic, principally. Raw materials and—

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and forty-seventh news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 10:30 a.m. on Tuesday, December 19, 1950.

310 Letter to General Eisenhower on His Designation as Supreme Allied Commander in Europe. *December 19, 1950*

Dear General Eisenhower:

The North Atlantic Treaty Nations have agreed on the defense organization for Europe and at their request I have designated you as Supreme Allied Commander, Europe. I view their request as a pledge that their support of your efforts will be complete and unequivocal.

I understand that the Standing Group of the North Atlantic Treaty Organization will shortly issue a directive to you concerning your responsibility and authority as the Supreme Allied Commander, Europe.

You are hereby assigned operational com-

mand, to the extent necessary for the accomplishment of your mission, of the U.S. Army Forces, Europe; U.S. Air Forces, Europe; and the U.S. Naval Forces, Eastern Atlantic and Mediterranean.

Subject to overriding requirements of the Supreme Allied Commander, Europe, the missions, routine employment, training and administration of these forces will continue to be handled through command channels heretofore existing.

You are authorized to have officers and enlisted personnel of the U.S. Armed Forces, as well as civilian employees of the Depart-

ments of the Army, Navy and Air Force, for your Staff in such numbers and grades as you consider necessary.

I am sending a copy of this letter to the Secretary of State for his guidance and a copy to the Secretary of Defense for his guidance and necessary action by the Department of Defense.

You are undertaking a tremendous responsibility. As President and Commander-in-Chief of the Armed Forces of the United

States, I know that our entire country is wholeheartedly behind you. Indeed, you carry with you the prayers of all freedom-loving peoples. I send you my warmest personal good wishes for success in the great task which awaits you.

Very sincerely yours,

HARRY S. TRUMAN

[General of the Army Dwight D. Eisenhower, United States Army]

NOTE: See also Item 308.

311 Statement by the President Following a Report by Secretary Acheson on His Meeting With the Ministers of the North Atlantic Treaty Nations. *December 21, 1950*

THE SECRETARY of State this morning gave me a full report of his meeting in Brussels with the foreign ministers and defense ministers of the North Atlantic Treaty countries.

I was greatly encouraged to hear from the Secretary of the serious way in which the representatives of the North Atlantic countries went about the job of bringing to life the military and economic agencies of the North Atlantic community.

The Secretary reported that the appointment of General Eisenhower as Supreme Allied Commander, Europe, greatly heartened and inspired the European nations who see in it new proof of the firm intention of the free nations to stand together.

Within the next few weeks the soldiers in Europe of the members of the North Atlantic community will be training together. Many of our hopes have now become facts with all that this means for the defense of the free world.

The Secretary also reported on his informal conversations with French Foreign Minister Schuman and British Foreign Minister Bevin. These conversations resulted in full agreement on how the three governments, pursuant to the North Atlantic Council's decision, would take up with the German Government the problem of German contributions to the defense of Western Europe.

I am in full agreement with the Secretary that the spirit shown by the countries of Western Europe has justified our confidence that the free states of Europe mean business about setting up our common defense system. The success of this meeting will be a matter of great satisfaction to all the American people.

Let there be no mistake about it—the unity of the nations of Western Europe and of the North Atlantic area is vital to their security and to ours.

312 Remarks in Kansas City at a Dinner of the Knights of the Red Cross of Constantine. December 22, 1950

Sovereign Land, His Excellency the Governor of Missouri, His Excellency the Governor of Kansas, distinguished guests:

It certainly is a very great pleasure and a privilege to be here with you tonight. There is nothing like coming home. There is nothing like meeting your personal friends. There is nothing like feeling that they are actually glad to see you.

I can't tell you how much I appreciated the lovely singing of this beautiful young lady down here. And that orchestra played my kind of music. It was good, and I liked it.

And this wonderful choir, I am very certain that you would much rather be listening to that choir than listening to me.

I appreciated these welcome home addresses, and I want to say to you that it is my opinion that the country is not confused. The country has been amply advised as to what is going on. I think it is the confusers, Roy, that are confused, not the country or the people. I am certainly sure of that.

The American people understand the situation. The American people are willing to make all the sacrifices that are necessary to meet the situation with which we are faced—the situation which has been accumulating since January 1st, 1946, on a gradual basis.

We are in excellent shape to meet that situation. All we need now is time, and that is what we are fighting for. We have never been in a crisis that we did not meet it.

I hope you will spend some time reading of certain crises which we have faced. Washington had a terrific one in 1796. He met it. Old Jackson had one that was one of the best, and he met it. In the 1860's we

had another crisis, and Abraham Lincoln met it. Woodrow Wilson faced the same situation.

I wish you would read just what happened in those days, and just what was said by people who were supposed to inform the people. You will find that the situation has not changed a bit. There isn't a particle of difference in the approach.

And we will meet this situation just as those were met. And when we get through we will have a peaceful world, and a world that is safe for you and myself, and everybody else, to live in. I know that is coming.

I am going to address you on Sunday afternoon, on Christmas and what I think it means, particularly this one. I hope you will listen, and I hope you will do what I am asking you to do.

I am sorry I have to leave, but in 1911—a month or so ago, in October, I think—this Lodge to which I belong was instituted under a charter, and I was elected the first presiding officer. Since that time, except when I have been out of reach, at the end of each year I have officiated as the installing officer. This is the only night on which I could officiate.

You know, when I come home, people are so good to me that they make the entertainments so great and with such small space between them it is almost like my day after day in Washington. But I like it, because it's home.

Thank you very much.

NOTE: The President spoke at 8:30 p.m. at the Muehlebach Hotel in Kansas City, Mo. In his opening words he referred to Frank S. Land, a Sovereign in the Order of the Red Cross of Constantine, Forrest Smith, Governor of Missouri, and Frank Carlson, Governor of Kansas. Later he referred to Roy A. Roberts, president and general manager of the Kansas City Star.

313 Remarks in Kansas City at a Luncheon for the Press.

December 23, 1950

IT HAS BEEN a pleasure, of course, to be able to be with you at this luncheon. I have never before been able to attend, because of the business I always have when I am here. Everybody in Jackson County and Missouri and Kansas and adjoining States—Oklahoma, Arkansas, and Iowa—feels that because it is a good railroad center and an easy place to get to, and also an air center, that it is a good time to see the President when he is available. So usually I see anywhere from 200 to 400 "customers" when I am here, and it is impossible for me to have any pleasure along the lines that we are having today.

I am very much interested in your business, and what you have to do. I know that all of you are as conscientiously interested in the welfare of the country as I am. We are in the midst of a situation that is unprecedented. Not in the history of the world has there been a time when two great powers have faced each other under the circumstances with which we face the Communists.

The only way that that situation can be worked out for the welfare of the world is for those people who believe in ethics, morals, and right to associate themselves together to meet the menace of those who do not believe in ethics, morals, and right, who have no idea of honor or truth.

We should be very careful that the attitude of that lack of honor and truth does not become a part of our own political system. It is a very dangerous thing.

Our growth and our laws are founded on those originating with Hammurabi in the Mesopotamian Valley, propounded by Moses, and elaborated on by Jesus Christ, whose Sermon on the Mount is the best ethical program by which to live.

Now the people we are in controversy with

do not believe in any of those things. They are inheritors of the program of Genghis Khan and Tamerlane, who were the greatest murderers in the history of the world.

I hope that you gentlemen—who represent some of the greatest means of information—will ponder these things and begin to understand that the political situation in our country is a secondary matter.

It is a world situation. I have been trying to mobilize the moral forces of the world—Catholics, Protestants, Jews, the Eastern Church, the Grand Lama of Tibet, the Indian Sanskrit moral code—I have been trying to organize all those people to the understanding that their welfare and the existence of decency and honor in the world depends on our working together, and not trying to cut each other's throats.

We are making some progress. That is the reason I was able to say last night that this country is not in the confused and dangerous situation that a lot of people think it is. The American people understand what we are doing.

Just today I got a promise that everybody in the little town of Jackson, Mich., would stand by what we are trying to do—it was signed by 2,800 people in that town. And the Governor of Kansas last night spoke for the American people when he said what he did. And you will find, in the long run, that this crisis will be met just as we have met every crisis in the history of this great country.

I wish you would read more history. I wish all of you would understand that the existence in this world of crisis after crisis was met in the right way. The new one is the one you have to face, not the old one.

I am more than happy to be here. I ap-

preciate all the kind things that have been said about me, and to me—most of which I don't deserve. But it is a pleasure to come home. As I said last night at my little lodge, that is one place I can be farmer Truman, just as I was in the best 10 years of my life on the farm out here in Grandview.

In Independence I have some associates where I can be just as I was when my greatest job was running Jackson County, trying to

leave it in better condition than I found it when I went there.

I am hoping I can do the same thing for the Presidency of the United States. I don't know whether I can or not. I can't, if you don't help me, and cooperate with me.

NOTE: The President spoke at 1:45 p.m. in the Trianon Room of the Muehlebach Hotel in Kansas City, Mo. The luncheon was given by Barney Allis, proprietor of the hotel.

314 Remarks in Grandview, Missouri, at a Meeting of the Order of the Eastern Star. *December 23, 1950*

Worthy Grand Matron, distinguished guests:

Don't you think it would be rather superfluous for the older brother of the Grand Matron to attempt to make a speech now?

All I can say is that I am just as happy as I can be to be here. It is not very often that I get to come back home. As I said last night, it is a pleasure. I was a First Patron of this chapter in 1913, and I was hoping that I could, on occasion, come when I was

not coming as a special guest on an invitation from the Grand Matron. Maybe that time will come someday. It is not in sight just yet.

I hope that you have a most prosperous year, and that everything goes as well in the future chapters as it did in 1913.

NOTE: The President spoke at 9:53 p.m. His opening words referred to his sister, Mary Jane Truman, Worthy Grand Matron of the Order of the Eastern Star for the State of Missouri.

See also Item 266.

315 Remarks at the Dedication Services of the Grandview Baptist Church. *December 24, 1950*

IT IS a great pleasure for me to stand up here today and look over this congregation. It is very seldom that I stand in a pulpit. The last time was in a Swedish Lutheran Church in Washington.

As I look around this congregation, I see the children and the grandchildren and the great-grandchildren of friends and relations of my family. I lived down here in this neighborhood before there was a railroad here. There was a town here, and the church was down in the pasture at home, and most of its members lived north of here. My grandfather once lived in Holmes Park, and they came from as far as Belton to go to

church at the Blue Ridge Baptist Church.

I saw the first train run through here, and I saw this Blue Ridge Baptist Church—after the population that came when the train established a station here—most of the members were centered right around here—I saw the church moved to Grandview, and be renamed the Grandview Baptist Church.

I was out on the farm—it was during vacation time—and my uncle Harrison Young said, "Come on, Harry, let's go and see the old church walk off, it's going up to Grandview." We saw it "walk off," and I think the building is still standing.

I have been very happy that this new

church has been built here, because it will be good for the community. I hope it will be possible, on the site where the old church is now, to erect a shrine to our Masonic Lodge. I don't want to see a tavern or anything of the sort go on this corner where that church has been, and if I can prevent it, it is not going there.

I want to say to you that I never have a day when one duty constitutes all I have to do. It is going to be necessary for me to be in Independence, Mo., at 4:13, to light the National Christmas Tree in Washington, and authorize a broadcast of a message which I am sending to the whole world. So I don't

think it will be possible, with the time what it is, for me to be able to shake hands with everybody here, although I see many, many people I would like very much to greet.

I was in the same situation the other night when I was out here, and last night, too, when I was out here. You will have to bear with me that it will not be possible for me to shake hands with everybody. It is not possible, as I may miss my connections. And as President of the United States, I can't miss any connections.

NOTE: The President spoke at 3:05 p.m. in Grandview, Mo., preceding the dedication ceremony. The Grandview Baptist Church was the President's home church.

316 Recorded Message for Broadcast on World Day of Prayer.

December 24, 1950

ON THIS day of prayer and religious dedication and for the coming New Year, I want also to extend to our friends in other lands the best wishes of the people of the United States and my own personal wishes on this holiday which has come to mean more than a day of rejoicing with friends and family. Our thoughts and prayers go with all men regardless of race, creed, or nationality who share with us our hopes for peace and free-

dom in the times to come. I am confident that with understanding and determination we shall move steadily toward these goals. I send all of you again my greetings and best wishes.

NOTE: The message was recorded in Washington on December 22, just before the President's departure for Independence, Mo. It was broadcast worldwide by the Voice of America at 4:30 p.m. on December 24.

317 Address Recorded for Broadcast on the Occasion of the Lighting of the National Community Christmas Tree on the White House Grounds. *December 24, 1950*

ALL OVER our country and in many other parts of the world, men, women, and children are preparing to celebrate the birthday of Christ.

Never before in our lives has a Christmas seemed so important. I am not thinking of turkey dinners and stacks of gifts. I mean the quiet, reverent celebration of the faith,

hope, and love—born in a manger in Bethlehem.

Across all the continents of this world, peace-loving people today feel apprehension and loneliness and fear.

Many have forgotten the humble surroundings of the nativity and how, from a straw-littered stable, shone a light which for

nearly 20 centuries has given men strength, comfort, and peace.

At this Christmastime we should renew our faith in God. We celebrate the hour in which God came to man. It is fitting that we should turn to Him.

Many of us are fortunate enough to celebrate Christmas at our own fireside.

But there are many others who are away from their homes and loved ones on this day. Thousands of our boys are on the cold and dreary battlefield of Korea.

But all of us—at home, at war, wherever we may be—are within reach of God's love and power. We all can pray. We all should pray.

We should ask the fulfillment of God's will. We should ask for courage, wisdom, for the quietness of soul which comes alone to them who place their lives in His hands.

We should pray for a peace which is the fruit of righteousness.

The Nation already is in the midst of a Crusade of Prayer. On the last Sunday of the old year, there will be special services devoted to a revival of faith.

I call upon all of you to enlist in this common cause. I call upon you no matter what your spiritual allegiance.

We are all joined in the fight against the tyranny of communism. Communism is godless. Democracy is the harvest of faith—faith in one's self, faith in one's neighbors, faith in God.

Democracy's most powerful weapon is not a gun, tank, or bomb. It is faith—faith in the brotherhood and dignity of man under God.

Let us pray at this Christmastime for the wisdom, the humility, and the courage to carry on in this faith.

NOTE: The address was recorded in Washington on December 22, prior to the President's departure for Independence, Mo. It was broadcast at 5:16 p.m. on December 24.

318 The President's News Conference of *December 28, 1950*

THE PRESIDENT. Please be seated.

Start in asking questions, and I will try to answer them.

[1.] Q. Mr. President, do you expect to deliver the State of the Union Message next month in person?

THE PRESIDENT. I do.

Q. You say you do, sir?

THE PRESIDENT. Yes, I expect to deliver the State of the Union in person on January 8th, if we can get ready.

[2.] Q. Mr. President, there have been reports at the Capitol that you have on your desk a proposed reorganization plan which would substitute one administrator for the present five-man RFC board?

THE PRESIDENT. That is not true.

Q. Have you ever discussed that?

THE PRESIDENT. Yes, I have—I have discussed it. In fact, I sent the reorganization plan down on the RFC, and it was turned down.¹

Q. But you are not considering any new ones?

THE PRESIDENT. No.

[Pause]

What's the matter—what's the matter? Christmas holidays got you? [Laughter]

[3.] Q. Well, I'll come up with one. Mr. President, on December 19th the Gov-

¹ See Item 114.

ernment asked that all prices be held to about the December 1st level. Then it froze the prices of automobiles. Now yesterday the Department of Labor reported that food prices are going up and up, sort of giving the impression that we are holding the line on Cadillacs but not on food. Would you care to comment?

THE PRESIDENT. No, I have no comment on that. The price control people are working as hard as they can to meet the situation. You have got to give them a chance to do it.

Q. On that point, Mr. President, there are laws, as I understand it, that forbid you from setting a ceiling on food, on account of parity. Are you interested in a change in the law—

THE PRESIDENT. I can't answer that question because I haven't looked into it. I only know what I have seen in the papers. But I didn't read the law carefully when I signed it. [Laughter] I have somebody else to do that for me.

[4.] Q. Mr. President, one other RFC question. If, as they have indicated, the Senate freezes your present plan, do you plan to resubmit the same plan?

THE PRESIDENT. I certainly do.

[Pause]

There never was such a dry—[Laughter]

Q. We're writing—we're writing.

[5.] Q. How about Herbert Hoover? ²

THE PRESIDENT. Well, I just want to say this, that the country is not going back to

²In a radio-television address over the Mutual Broadcasting System on December 20, President Hoover urged the United States to concentrate on preservation of the Western Hemisphere by holding the Atlantic and Pacific Oceans with the island outposts of Britain, Japan, Formosa, and the Philippines.

The full text of the former President's address is published in the Congressional Record (vol. 96, p. A7879).

isolationism. You can be sure of that.

Q. Mr. President, would you like to comment on the results to this country, if you should take Mr. Hoover's advice? What would happen?

THE PRESIDENT. Well now, I would have to make you a speech that would take all afternoon, and you haven't got time to listen to that.

Q. It's all right with me. [Laughter]

THE PRESIDENT. No, I will not comment further.

Q. Mr. President, is the White House mail running for or against Mr. Hoover's idea?

THE PRESIDENT. The White House mail is running for the President of the United States on that subject.

Q. Mr. President, do you consider his recommendations isolationism?

THE PRESIDENT. Nothing else. Read it carefully.

Q. I did.

THE PRESIDENT. All right.

[6.] Q. Mr. President, I have been asked to ask this question of you, so I will put it on that basis. [Laughter]

THE PRESIDENT. Go ahead—I won't scold you.

Q. There have been new reports today out of Tokyo stating that Chiang Kai-shek's forces are now preparing to invade the Chinese mainland, if they are given the green light by the United Nations and this country. Can you say, sir, whether there has been any contemplated change in the policy that you outlined some weeks ago regarding the isolation—

THE PRESIDENT. I can't comment on that at this time. I'm sorry.

[7.] Q. Mr. President, have you any idea when your tax program might go to Congress?

THE PRESIDENT. Just as quickly as we can

get it ready. I don't know how soon that will be. It takes quite a while to get a tax program in order. Just as soon as it is in order, and the committees in the Treasury are in substantial agreement on it, why we will send it up.

[8.] Q. Mr. President, can you tell us what made you change your mind on sending an ambassador to Spain? ³

THE PRESIDENT. I didn't change my mind. I stated it would be quite a while before an ambassador was appointed to Spain. The Secretary of State sent a letter to Senator Connally last January. We have been deliberating on it ever since. There is no change in policy with regard to Spain, except that we need an exchange of ambassadors which makes it a little more orderly way to do business with the two governments. But my attitude toward Spain hasn't changed a bit.

[9.] Q. Mr. President, have you had an opportunity to look at that many-thousand-word letter from Senator Byrd, which was sent you last week, on the budget? ⁴

THE PRESIDENT. Yes, I looked at the letter. I read it, not in detail because I don't think Senator Byrd knows very much about the budget. But I read the preliminary part of the letter, and I was very happy to find one sentence in which Senator Byrd said he wanted to cooperate with the Government of the United States and with the President in particular; and I wrote him thanking him very kindly for that. And I am glad to hear it. [*Laughter*]

³ On February 1, 1951, Stanton Griffis was confirmed by the United States Senate to be Ambassador to Spain.

⁴ On December 22, 1950, Senator Harry F. Byrd of Virginia wrote to the President urging a reduction in the Federal budget for fiscal year 1952. The letter is printed in the Congressional Record (vol. 96, p. 16952).

[10.] Q. Could you give us any guidance as to when there will be—if there will be widespread economic controls, price controls, wage controls—

THE PRESIDENT. Well now, we are gradually approaching what is necessary, and if it becomes necessary for that to come about, it will. But I can't give you any detailed information on it because we are not ready.

Q. I see—I see.

THE PRESIDENT. It takes a long time.

[11.] Q. Mr. President, are you going to recommend universal military training, or universal military service, any time—

THE PRESIDENT. I have recommended universal training, I think, seven or eight times.⁵ My position on it hasn't changed. But you can't run an emergency such as we are running now with two sets of training programs. We have only got enough people for the one program. I hope that we will have a universal training program before we get through.

Q. That is training, not service?

THE PRESIDENT. Universal training, that's the word I used.

[12.] Q. Mr. President, have you seen or are you aware in a general way of what Mr. Dulles will say tomorrow night?

THE PRESIDENT. No. I haven't talked with Mr. Dulles.⁶

Q. Any comment on Mr. Dulles' telegram to Mr. Hoover today, that it would not be a reply to the Hoover speech?

THE PRESIDENT. No, I didn't know about that telegram either. I'm sorry.

⁵ See Item 225.

⁶ On December 29 John Foster Dulles, Consultant to the Secretary of State, upheld the administration's foreign policy in an address before the American Association for the United Nations at the Waldorf-Astoria Hotel in New York City. The full text of Mr. Dulles' address is published in the Congressional Record (vol. 96, p. A7972).

Q. Mr. President, there were reports published out in Minnesota, I think, regarding Mr. Hoover consulting the White House in advance of his speech?

THE PRESIDENT. He did not consult with me. There are a lot of people in the White House, though, he may have talked to somebody.

[13.] Q. Mr. President, would you recommend removal of that copper tax to the new Congress?

THE PRESIDENT. Yes, I am always recommending it—I expect a dozen times, altogether.⁷

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and forty-eighth news conference was held in the Indian Treaty Room (Room 474) in the Executive Office Building at 4 p.m. on Thursday, December 28, 1950.

⁷ See Item 231.

319 Statement by the President Upon Signing Bill Amending the Clayton Act. *December 29, 1950*

I HAVE today signed H.R. 2734, which amends the Clayton Act, relative to the prevention of monopolies.

I have signed this act with great satisfaction, because it closes a gap in our antimonopoly laws that has existed since 1914. Under the Clayton Act, enacted in that year, corporations have been prohibited from destroying competition through buying up the stock of their competitors. But until now, corporations have been able to defeat the purpose of the law by buying up the assets, rather than the stock, of competitors. Now, under this new law, the same principle will apply to the purchase of corporate assets as to the purchase of stock.

Much of the concentration of economic power which has taken place since 1914 has

been due to this gap in the law. The closing of the gap is an important step in preventing the growth of monopolies and thus assuring the survival and health of free competitive enterprise.

I have repeatedly recommended the enactment of this legislation to the Congress, as a major element in the program of this administration to prevent the growth of monopoly and greater concentration of economic power and to create conditions favorable to small and independent business. I am very glad that this major piece of legislation has at last become law. I shall expect the Federal Trade Commission to be alert and vigorous in its enforcement.

NOTE: As enacted, H.R. 2734 is Public Law 899, 81st Congress (64 Stat. 1125).

320 Letter to the President of the Senate and to the Speaker of the House Recommending the Posthumous Appointment of General Walker to the Grade of General in the Army of the United States. *December 29, 1950*

Dear Mr. —————:

I recommend the enactment of legislation which would permit the posthumous ap-

pointment of the late Lieutenant General Walton H. Walker to the grade of General in the Army of the United States. I believe

that General Walker's outstanding accomplishments as Commanding General of the Eighth United States Army in Korea fully entitle him to this recognition. There he proved himself to be a brilliant military commander and his indomitable courage was an inspiration to all the troops under his command.

Attached is a draft of a joint resolution which would authorize this appointment. I hope that it may receive prompt considera-

tion by the Congress.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

On January 2, 1951, the President approved a bill which authorized him "to issue posthumously to the late Walton Harris Walker, lieutenant general, Army of the United States, a commission as General, Army of the United States" (64 Stat. A271).

Appendix A—White House Press Releases

NOTE: Includes releases covering matters with which the President was closely concerned, except announcements of Presidential personnel appointments and approvals of legislation with which there was no accompanying statement.

Releases relating to Proclamations and Executive orders have not been included. These documents are separately listed in Appendix B.

For list of Press and Radio Conferences, see subject index under "News conferences."

January

- 3 Letter to the Chairman of the President's Water Resources Policy Commission
- 4 Annual message to the Congress on the State of the Union
- 5 Statement by the President on U.S. Policy with respect to Formosa
- 5 Remarks at the American Federation of Labor's Samuel Gompers Centennial Dinner
- 6 Statement by the President on the Midcentury White House Conference on Children and Youth
- 6 Annual Message to the Congress: The President's Economic Report
- 6 Exchange of messages with Michael, Orthodox Archbishop of North and South America
- 7 Letter to the President from the Shah of Iran regarding his recent visit to the United States
- 9 Annual Budget Message to the Congress: Fiscal Year 1951
- 9 Special message to the Senate transmitting protocol relating to the suppression of obscene publications
- 9 Message to the Congress transmitting 20th quarterly report of expenditures and operations under United Nations Relief and Rehabilitation Administration
- 9 Special message to the Senate transmitting protocol relating to the suppression of the white slave traffic
- 9 Special message to the Congress transmitting report on Foreign Service retirement and disability system
- 9 Special message to the Senate transmitting convention between the United States and the United Kingdom relating to the nonapplication of the convention to Newfoundland

January

- 9 Message to Congress transmitting 29th lend-lease report
- 10 Letter to the U.S. Representative on the United Nations Commission on the Status of Women
- 12 Sixth report to the Congress by the Economic Cooperation Administration
- 12 Remarks at a supper for Democratic Senators and Representatives
- 13 Special message to the Senate transmitting treaty between the United States and Uruguay
- 13 Message to the Congress transmitting second annual report for the Philippine Alien Property Administration
- 16 Special message to the Congress on synthetic rubber
- 16 Remarks at a dinner given by the chairmen and directors of Federal Reserve Banks
- 17 Message to the Congress transmitting the 35th annual report of the National Advisory Committee for Aeronautics
- 17 Remarks to members of the National Emergency Civil Rights Mobilization Conference
- 18 Special message to the Senate transmitting income tax convention with Ireland
- 18 Special message to the Senate transmitting estate tax convention with Ireland
- 18 Letter accepting resignation of Myron C. Taylor as the President's Personal Representative at the Vatican
- 20 Special message to the Congress transmitting report of the National Advisory Council on International Monetary and Financial Problems
- 21 Statement by the President on the rejection by the House of Representatives of the Korean aid bill

Appendix A

January

- 23 Special message to the Congress on tax policy
- 24 Statement by the President on the new 75-cent minimum wage rate
- 25 White House release announcing supplemental appropriation requests
- 25 Message to the Congress transmitting report of the National Capital Housing Authority for fiscal year 1949
- 26 Exchange of messages with President Prasad of India
- 26 Remarks to the Women's Patriotic Conference on National Defense
- 27 White House release announcing supplemental appropriation estimates
- 27 White House release announcing supplemental appropriation requests
- 27 Statement by the President upon issuing order providing for the administration of the Mutual Defense Assistance Act
- 27 Letter accepting resignation of Clark M. Clifford as Special Counsel to the President
- 27 White House announcement of appointment of members of the annual Essay Commission
- 30 Letter to the President of the Senate and to the Speaker of the House on U.S. assistance to Palestine refugees
- 31 Statement by the President on the hydrogen bomb
- 31 Telegram to labor and management leaders proposing a plan for settling the coal industry dispute

February

- 1 Letter to the Speaker on the Panama Canal and the Panama Railroad Company
- 2 Statement by the President on the crusade against heart disease
- 3 Special message to the Senate transmitting protocol extending the international sugar agreement
- 3 Remarks to a group of Baptist missionaries
- 7 Letter accepting resignation of Lewis L. Strauss as a member of the Atomic Energy Commission
- 8 Statement by the President on appointing additional members of the Committee on Religion and Welfare in the Armed Forces

February

- 9 Letter to the Vice President urging a study of the land and water resources of the New England States and New York
- 11 Letter to the Attorney General directing him to petition for an injunction in the coal strike
- 11 Report to the President from the Board of Inquiry on the labor dispute in the coal industry
- 11 Summary of the Board of Inquiry report on the labor dispute in the coal industry
- 13 Special message to the Congress transmitting report on the training of veterans under the Servicemen's Readjustment Act
- 13 Joint Report to the President from the Administrator of Veterans Affairs and the Director of the Budget on vocational training of veterans under the Servicemen's Readjustment Act
- 15 Address before the Attorney General's conference on law enforcement problems
- 16 Address at the Jefferson-Jackson Day Dinner
- 17 Letter to Dr. Irvin L. Stewart on the establishment of the President's Communications Policy Board
- 21 Special message to the Congress transmitting report of the Air Coordinating Committee
- 21 Report to the President of the Air Coordinating Committee
- 22 Remarks at a Masonic breakfast on Washington's birthday
- 22 Address on foreign policy at the George Washington National Masonic Memorial
- 22 Telegram to labor and management leaders in the communications industry urging a 60-day truce
- 28 Radio remarks opening the Red Cross campaign
- 28 Special message to the Senate transmitting treaty between the United States and Ireland

March

- 2 Letter to the Chairman, House Committee on Education and Labor, on Federal aid to education
- 2 Remarks to a group from the ninth annual science talent search
- 2 Emergency board report on dispute involving the Denver and Rio Grande Western Railroad Co.
- 2 Special message to the Congress transmitting the report of the Commodity Credit Corporation for fiscal year 1949

Appendix A

March

- 3 Special message to the Congress on the coal strike
- 7 Letter to the President of the Senate and to the Speaker of the House transmitting bill for the establishment of a commission on the coal industry
- 9 Statement by the President on the record of the Home Owners' Loan Corporation
- 10 Emergency board report on dispute involving the Texas and Pacific Railway Co.
- 13 Special message to the Congress summarizing the new reorganization plans
- 13 Special message to the Congress transmitting Reorganization Plans 1 through 13 of 1950
- 13 Special message to the Congress transmitting Reorganization Plan 14 of 1950
- 13 Special message to the Congress transmitting Reorganization Plans 15, 16, and 17 of 1950
- 13 Special message to the Congress transmitting Reorganization Plan 18 of 1950
- 13 Special message to the Congress transmitting Reorganization Plan 19 of 1950
- 13 Special message to the Congress transmitting Reorganization Plan 20 of 1950
- 13 Special message to the Congress transmitting Reorganization Plan 21 of 1950
- 14 Special message to the Congress transmitting report on the Department of State
- 15 Statement by the President on the National Capital Sesquicentennial Commission
- 25 Letter to the Chairman, House Committee on Foreign Affairs, urging enactment of the Foreign Assistance Act
- 27 Message to the Congress transmitting annual report of the Governor of the Panama Canal
- 27 Special message to the Senate transmitting claims convention between the United States and Panama
- 28 Letters regarding disclosure of confidential files on employee loyalty

April

- 3 Letter to Gordon Gray regarding his appointment as Special Assistant to the President
- 3 White House background paper on the balance of payments problem

April

- 3 Letter to Senator Tydings again refusing to disclose confidential information on employee loyalty
- 3 Special message to the Congress upon approving bill relating to cotton and peanut acreage allotments and marketing quotas
- 4 Emergency board report on dispute involving the Terminal Railroad Association of St. Louis
- 5 White House release announcing supplemental appropriation estimates
- 5 White House release announcing supplemental appropriation estimates
- 6 Special message to the Congress on the unemployment insurance system
- 10 Special message to the Senate transmitting changes in the International Telecommunications Convention
- 12 Remarks of welcome to the President of Chile at the Washington National Airport
- 13 Letter accepting resignation of Paul Aiken as Assistant Postmaster General
- 13 Remarks to members of the U.S. National Commission for UNESCO
- 15 Veto of bill to amend the Natural Gas Act of 1938
- 17 Special message to the Senate transmitting income tax convention with Greece
- 17 Special message to the Senate transmitting estate and inheritance tax convention with Greece
- 18 Statement by the President on the importance of maintaining a bipartisan foreign policy
- 19 Letter to the Speaker on the plight of Greek children abducted by Communist guerrilla forces
- 19 Statement by the President upon signing bill for the aid of the Navajo and Hopi Indian tribes
- 19 Letter accepting resignation of James Bruce as Director of the Mutual Defense Assistance Program
- 19 White House release on emergency board report on dispute involving the Western Carriers' Conference Committee
- 20 Address on foreign policy at a luncheon of the American Society of Newspaper Editors
- 20 Emergency board report on dispute involving the Western Carriers' Conference Committee

Appendix A

April

- 21 Special message to the Congress urging extension of rent control
- 21 Letter accepting resignation of Arthur S. Barrows as Under Secretary of the Air Force
- 24 Special message to the Senate transmitting convention with Canada
- 24 Address at a dinner of the Federal Bar Association
- 25 Letter accepting resignation of Cornelius V. Whitney as Under Secretary of Commerce
- 27 Letter to the chairman of the President's Committee on Religion and Welfare in the Armed Forces
- 27 Statement by the President announcing steps taken to develop a bipartisan approach to foreign policy
- 27 Message to the Congress transmitting 30th lend-lease report
- 28 White House release concerning report of Board of Visitors to the United States Naval Academy
- 29 Letter accepting resignation of Henry A. Mulligan as a Director of the Reconstruction Finance Corporation

May

- 1 Letter to Joseph C. Grew and Gen. Lucius D. Clay of the National Committee for a Free Europe
- 2 Special message to the Senate transmitting treaty with Canada concerning uses of the waters of the Niagara River
- 3 Veto of bill for the relief of the estate of Julius Zaffareni (Congressional Record, vol. 96, p. 6311)
- 3 Special message to the Congress transmitting first report of the War Claims Commission
- 3 Special message to the Senate transmitting road traffic convention
- 3 Message to the United States Technical Conference on Air Pollution
- 3 Remarks of welcome to the Prime Minister of Pakistan at the Washington National Airport
- 3 White House statement concerning closing of five armed services hospitals
- 4 Statement by the President on foreign policy legislation following a meeting with the Chairman of the House Foreign Affairs Committee

May

- 4 Exchange of messages with the President of Chile
- 5 Special message to the Congress on the problems of small business
- 6 Letter to the Chairman, Senate Committee on Interior and Insular Affairs, on statehood for Alaska and Hawaii
- 6 Statement by the President upon signing bill establishing a Uniform Code of Military Justice
- 7 Statement by the President on the death of President Victor Román y Reyes of Nicaragua
- 8 Remarks at Galesburg, Ill.
- 8 Remarks at Burlington, Iowa
- 8 Remarks at Ottumwa, Iowa
- 8 Remarks at Creston, Iowa
- 8 Remarks at Pacific Junction, Iowa
- 8 Address at Lincoln, Nebr.
- 8 Remarks at Grand Island, Nebr.
- 8 Remarks at Ravenna, Nebr.
- 8 Remarks at Broken Bow, Nebr.
- 8 Remarks at Seneca, Nebr.
- 8 Message to the Congress transmitting the seventh report on the Economic Cooperation Administration
- 9 Special message to the Congress transmitting Reorganization Plan 22 of 1950
- 9 Special message to the Congress transmitting Reorganization Plan 23 of 1950
- 9 Special message to the Congress transmitting Reorganization Plan 24 of 1950
- 9 Special message to the Congress transmitting Reorganization Plan 25 of 1950
- 9 Address in Casper, Wyo.
- 9 Remarks at Wendover, Wyo.
- 9 Address in Cheyenne, Wyo.
- 9 Address at Laramie, Wyo.
- 9 Remarks at Rawlins, Wyo.
- 10 Statement by the President upon signing bill creating the National Science Foundation
- 10 Remarks at Pocatello, Idaho

Appendix A

May

- 10 Remarks at Shoshone, Idaho
- 10 Remarks at Glens Ferry, Idaho
- 10 Remarks at Boise, Idaho
- 10 Remarks at Nampa, Idaho
- 10 Remarks at Ontario, Oreg.
- 10 Remarks at Huntington, Oreg.
- 10 Remarks at Baker, Oreg.
- 10 Remarks at La Grande, Oreg.
- 10 Address in Pendleton, Oreg.
- 10 Remarks at Umatilla, Oreg.
- 10 Remarks at Wallula, Wash.
- 10 Remarks at Pasco, Wash.
- 11 Telegram to the President of the Senate concerning Reorganization Plan 12 of 1950
- 11 Remarks at Coulee City, Wash.
- 11 Address at the dedication of the Grand Coulee Dam
- 11 Remarks at the Grand Coulee Dam upon presenting a Distinguished Service Medal to Frank A. Banks
- 11 Remarks at Wilbur, Wash.
- 11 Address in Spokane at Gonzaga University
- 11 Remarks at the Junior Livestock Show in Spokane
- 11 Remarks at Sandpoint, Idaho
- 11 Remarks at Paradise, Mont.
- 12 Remarks at Missoula, Mont.
- 12 Remarks at Garrison, Mont.
- 12 Address at Butte, Mont.
- 12 Remarks at Helena, Mont.
- 12 Remarks at Great Falls, Mont.
- 12 Remarks at Big Sandy, Mont.
- 12 Remarks at Havre, Mont.
- 13 Remarks at Fort Peck Dam, Mont.
- 13 Remarks at Glasgow, Mont.
- 13 Remarks at Williston, N. Dak.

May

- 13 Remarks at Minot, N. Dak.
- 13 Remarks at New Rockford, N. Dak.
- 13 Address in Fargo, N. Dak.
- 13 Remarks at Breckenridge, Minn.
- 14 Remarks at Altoona, Wis.
- 14 Remarks at Elroy, Wis.
- 14 Address at the dedication of the Credit Union National Association's Filene House, Madison, Wis.
- 14 Remarks in Madison on laying the cornerstone at the Filene House
- 14 Veto of bill for the relief of the estate of Susie Lee Spencer (Congressional Record, vol. 96, p. 7032)
- 15 Letter from the Chairman, Council of Economic Advisers, to the members of the temporary Committee of Experts on the New England Economy
- 15 Radio remarks opening the Savings Bond Drive
- 15 Address in Chicago at the National Democratic Conference and Jefferson Jubilee
- 16 Remarks at Cumberland, Md.
- 17 Special message to the Senate concerning John W. Kern, Judge of the Tax Court of the United States
- 17 Address on the occasion of the publication of the first volume of the Jefferson Papers
- 18 Statement by the President concerning the proposed pooling of the French and German steel and coal industries
- 19 Remarks at the Armed Forces Dinner
- 20 Remarks at the Democratic Women's National Council Dinner
- 22 Special message to the Congress following the signing of the rivers and harbors bill
- 22 Statement by the President in response to the report of the President's Committee on Equality of Treatment and Opportunity in the Armed Services
- 22 Report by the President's Committee on Equality of Treatment and Opportunity in the Armed Services
- 22 Letters of appreciation on the third anniversary of the Greek-Turkish Aid Program

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May

- 22 Message to the Congress transmitting fourth annual report on U.S. participation in the United Nations
- 22 Emergency board report on dispute between the Chicago and Illinois Midland Railway Co. and certain of its employees
- 23 Remarks to delegates to the fifth annual Conference on Citizenship
- 24 Remarks to a group from the Ohio Farm Bureau
- 25 Joint declaration with the United Kingdom and France on the Arab States and Israel
- 25 Statement by the President on the joint declaration on the Near East
- 31 Special message to the Congress transmitting Reorganization Plan 26 of 1950
- 31 Special message to the Congress transmitting Reorganization Plan 27 of 1950
- 31 Special message to the Congress transmitting report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development

June

- 1 Special message to the Congress on military aid
- 1 Message to the Congress transmitting the first semiannual report of the Mutual Defense Assistance Program
- 3 White House statement announcing the establishment of the President's Commission on Migratory Labor
- 5 Message to the Congress transmitting 66th annual report of the U.S. Civil Service Commission
- 5 Statement by the President upon signing the Foreign Economic Assistance Act
- 5 Letter accepting resignation of John C. Wiley as Ambassador to Iran
- 5 Address before the President's Conference on Industrial Safety
- 5 Statement by the President upon appointing a committee to review veterans hospitals
- 6 Letter accepting resignation of Watson B. Miller as Commissioner of the Immigration and Naturalization Service
- 6 Address at a dinner of the Better Business Bureaus
- 7 Remarks at the 91st annual National Convention of the Augustana Lutheran Church

June

- 7 Special message to the Senate transmitting consular convention with Ireland
- 9 Commencement address at the University of Missouri
- 9 Remarks at the University of Missouri upon receiving an honorary degree
- 9 Remarks at Mexico, Mo.
- 10 Remarks at the Battery D Breakfast in St. Louis
- 10 Remarks in St. Louis at the Battery D Executive Committee meeting
- 10 Remarks at the World War Memorial in St. Louis
- 10 Address in St. Louis at the site of the Jefferson National Expansion Memorial
- 12 Remarks to the National Association of Radio Farm Directors
- 14 White House statement announcing the establishment of the Arkansas-White-Red River Basins Inter-Agency Committee
- 15 Letter accepting resignation of John F. Simmons as Ambassador to Ecuador
- 15 Remarks at the U.S. Marine Corps Base, Quantico, Va.
- 15 Emergency board reports regarding the Eastern, Western, and Southeastern Carriers' Conference Committees
- 16 Veto of bill to compensate certain contractors for losses sustained in the construction of the U.S. Appraisers Building in San Francisco (Congressional Record, vol. 96, p. 8723)
- 16 Veto of bill to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing policies
- 16 Statement by the President upon signing bill amending the Displaced Persons Act
- 16 White House release announcing appointment of W. Averell Harriman as Special Assistant to the President
- 17 Memorandum to department and agency heads requesting their cooperation with the Senate Special Crime Investigating Committee
- 19 Special message to the Senate transmitting convention with Panama
- 20 White House statement announcing the President's intervention on behalf of a group of European refugees from Shanghai

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June

- 21 Message to the Congress transmitting 100th annual report of the Panama Railroad Company
- 21 Veto of bill relating to a claim of the Forest Lumber Co. (Congressional Record, vol. 96, p. 8962)
- 21 Veto of bill relating to a claim of the Algoma Lumber Co. and its successors in interest (Congressional Record, vol. 96, p. 8963)
- 21 Veto of bill relating to a claim of the Lamm Lumber Co. (Congressional Record, vol. 96, p. 8963)
- 21 Veto of bill for the relief of the Davis Grocery Co. of Oneida, Tenn. (Congressional Record, vol. 96, p. 8963)
- 22 Message to the Congress transmitting the annual report of the Office of Alien Property
- 23 Veto of bill relating to the promotion of veterans of World War II in the field service of the Post Office Department
- 23 Veto of bill for the relief of Carmencita von Plettenberg (Congressional Record, vol. 96, p. 9193)
- 23 White House statement regarding the first meeting of the President's Commission on Migratory Labor
- 24 Address in Baltimore at the dedication of Friendship International Airport
- 26 Statement by the President on the violation of the 38th parallel in Korea
- 27 Statement by the President on the situation in Korea
- 27 Address at the laying of the cornerstone of the new U.S. Courts Building for the District of Columbia
- 27 Exchange of messages with Governor Dewey concerning U.S. action in Korea
- 28 Remarks to members of Reserve Officers Association
- 28 Address before the Annual Convention of the American Newspaper Guild
- 28 Remarks to the Washington Student Citizenship Seminar
- 28 Letter from the Chairman, Council of Economic Advisers, regarding newly appointed members of a Committee on the Southwest Economy
- 29 Statement by the President announcing an economic survey mission to the Philippines

June

- 29 Exchange of messages with the Presidents of Costa Rica, the Dominican Republic, Nicaragua, and Colombia concerning the U.S. decision on Korea
- 30 Special message to the Senate transmitting estate tax convention with Canada
- 30 Special message to the Senate transmitting income tax convention with Canada
- 30 Veto of bill to amend the Hatch Act
- 30 Veto of bill to amend the War Contractors Relief Act
- 30 White House statement following a meeting between the President and top congressional and military leaders to review the situation in Korea
- 30 Letter accepting resignation of Willard L. Thorp as U.S. Representative on the Economic and Social Council of the United Nations
- 30 Address at Valley Forge at the Boy Scout Jamboree

July

- 3 Veto of bill for the relief of the Gluckin Corp. (Congressional Record, vol. 96, p. 9632)
- 6 Emergency board report in Boston & Albany Railroad labor dispute
- 7 Statement by the President regarding a request for supplemental appropriations for the Atomic Energy Commission
- 8 Statement by the President upon issuing order averting a railroad strike
- 8 Letter accepting resignation of Joseph J. O'Connell, Jr., as member and Chairman, Civil Aeronautics Board
- 8 Statement by the President announcing the designation of General MacArthur to lead the Allied military forces in Korea
- 13 Letter to the Speaker on the need for an expanded truth campaign to combat communism
- 17 Letter to the President from the Advisory Commission on Information
- 18 Letters to agency heads on the need for restricting housing credit
- 19 Special message to the Congress reporting on the situation in Korea
- 19 Radio and television address to the American people on the situation in Korea

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July

- 20 Statement by the President on the appointment of Charles M. Spofford as Deputy U.S. Representative to the North Atlantic Council
- 20 White House announcement of cancellation of proposed European tour of the American National Ballet Theatre
- 20 Message from General MacArthur to the President reporting on the situation in Korea
- 21 Letter to agency heads directing a review of Government programs
- 21 Exchange of messages with Dr. Daniel A. Poling, President of the World's Christian Endeavor Union
- 23 Statement by the President on the death of Mackenzie King
- 24 Veto of bill for the relief of the Dixie Margarine Co. (Congressional Record, vol. 96, p. 10857)
- 24 White House release announcing supplemental estimates of appropriations for defense
- 24 Letter to the Chairman, National Labor Relations Board, requesting him to remain in Government service
- 24 Statement by the President on reporting information relating to espionage, sabotage, and subversive activities
- 25 Letter to the Chairman, Senate Committee on Finance, on the need for an increase in taxes
- 25 Message to the Congress transmitting report of the National Advisory Council on International Monetary and Financial Problems
- 26 Statement by the President upon signing bill continuing the military aid program
- 26 Special message to the Congress: The President's Midyear Economic Report
- 28 White House release announcing supplemental appropriation estimates
- 28 Message to the Congress transmitting 31st Report on Lend-Lease Operations

August

- 1 Letter to the Speaker transmitting supplemental estimate of appropriations for military assistance
- 1 Letter to Committee Chairmen on the defense production bill
- 1 White House statement following the President's approval of the Organic Act of Guam
- 2 Special message to the Congress transmitting labor conventions adopted by the International Labor Conference, 1948

August

- 4 White House release announcing additional estimates of appropriations for defense
- 5 Veto of bill for the relief of the Merit Co. (Congressional Record, vol. 96, p. 11929)
- 8 Special message to the Congress on the internal security of the United States
- 8 Letter accepting resignation of Carroll L. Wilson as General Manager of the Atomic Energy Commission
- 9 Veto of bill for the relief of Christina Shalfeieff (Congressional Record, vol. 96, p. 12080)
- 9 Remarks to the President's Committee on National Employ the Physically Handicapped Week
- 11 Special message to the Senate transmitting estate tax protocol with the Union of South Africa
- 11 Special message to the Senate transmitting income tax protocol with the Union of South Africa
- 11 Veto of bill relating to the census in South Parkersburg, W. Va.
- 11 Veto of bill relating to a claim of Alvin Smith (Congressional Record, vol. 96, p. 12384)
- 11 Veto of bill for the relief of the Pittsburgh DuBois Co. (Congressional Record, vol. 96, p. 12383)
- 12 Emergency board report on dispute involving the Toledo, Lorain & Fairport Dock Co. and the Toledo Lakefront Dock Co.
- 14 Veto of bill for the relief of the estate of Lee Jones Cardy (Congressional Record, vol. 96, p. 12439)
- 14 Veto of bill to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen (Congressional Record, vol. 96, p. 12450)
- 14 Veto of bill for the relief of Dr. Francesco Drago (Congressional Record, vol. 96, p. 12450)
- 14 Veto of bill for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati (Congressional Record, vol. 96, p. 12450)
- 14 Message to President Syngman Rhee on the second anniversary of the Republic of Korea
- 16 White House release announcing supplemental appropriation estimates
- 16 Statement by the President on the 100th anniversary of the death of Gen. José de San Martín

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August

- 17 Letter to the Chairman, Senate Committee on Public Works, on the Federal-aid highway bill
- 17 Special message to the Congress transmitting eighth report of the Economic Cooperation Administration
- 18 Letter to the President of the Senate on the defense production bill
- 21 Veto of bill to amend the War Contractors Relief Act
- 22 Special message to the Senate transmitting educational agreement and protocol, 1949
- 23 Veto of bill for the relief of Louise Peters Lewis (Congressional Record, vol. 96, p. 13245)
- 24 Statement by the President upon nominating Walter J. Donnelly as Minister and U.S. High Commissioner for Austria
- 24 Statement by the President upon nominating U.S. representatives to the fifth session of the U.N. General Assembly
- 25 Veto of bill for the relief of Fritz Busche (Congressional Record, vol. 96, p. 13504)
- 25 Veto of bill for the relief of Graphic Arts Corp. of Ohio (Congressional Record, vol. 96, p. 13503)
- 25 Letter to the Speaker on the appropriation for foreign aid
- 25 Statement by the President upon issuing order taking control of the Nation's railroads
- 26 Letter to the Chairman, Senate Committee on Foreign Relations, urging early ratification of the Genocide Convention
- 26 Letter accepting resignation of John W. Gibson as Assistant Secretary of Labor
- 27 Letter to Ambassador Warren Austin restating the U.S. position on Formosa
- 28 White House release announcing supplemental appropriation estimates
- 28 Letter accepting resignation of J. Rives Childs as Ambassador to Saudi Arabia and Minister to Yemen
- 28 Statement by the President upon signing the Social Security Act Amendments
- 29 Veto of bill for the relief of Julio Laffitte (Congressional Record, vol. 96, p. 13662)
- 29 Veto of bill for the relief of J. Don Alexander (Congressional Record, vol. 96, p. 13662)

August

- 29 Veto of bill for the relief of the Southern Fireproofing Co. of Cincinnati, Ohio (Congressional Record, vol. 96, p. 13776)
- 29 Letter to Committee Chairmen on universal military training
- 29 Message to General MacArthur regarding the withdrawal of the General's message to the Veterans of Foreign Wars
- 30 White House statement concerning the proposed construction of new Federal office buildings near Washington
- 30 Letter to Senator Flanders on the appropriation for the Campaign of Truth
- 31 Statement by the President: Labor Day
- 31 Letter to the general chairman of the President's Highway Safety Conference

September

- 1 Veto of bill to authorize the sale of certain lands held in trust for the Lower Brule Sioux Tribe (Congressional Record, vol. 96, p. 14117)
- 1 Veto of bill to authorize the sale of certain lands held in trust for the Oglala Sioux Tribe (Congressional Record, vol. 96, p. 14117)
- 1 Letter to the Ambassador of Chile on the U.S. excise tax on copper
- 1 White House release concerning the settlement of the dispute between 10 railroads and the Switchmen's Union of North America
- 1 White House release concerning (1) appropriations for schools in federally affected areas, and (2) supplemental appropriations
- 1 Radio and television report to the American people on the situation in Korea
- 1 Emergency board report on dispute at Braniff Airways, Inc.
- 6 Veto of bill relating to Spanish-American War veterans
- 6 Statement by the President upon signing the General Appropriation Act
- 6 Letters to the Commandant of the Marine Corps League and to the Commandant of the Marine Corps
- 7 Statement by the President upon signing bill regarding marine war-risk insurance
- 7 Remarks to members of the Marine Corps League
- 7 Remarks to the National Citizens' Committee for United Nations Day

Appendix A

September

- 8 Statement by the President upon signing order concerning the point 4 program
- 9 Veto of bill to amend the Nationality Act of 1940, as amended
- 9 Veto of bill for the relief of Universal Corp., James Stewart Corp., and James Stewart and Co., Inc. (Congressional Record, vol. 96, p. 14555)
- 9 Statement by the President upon approving an increase in U.S. forces in Western Europe
- 9 Radio and television address to the American people following the signing of the Defense Production Act
- 11 Emergency board report on dispute involving the Atlantic & East Carolina Railway Co., and other carriers
- 12 Statement by the President upon signing the Budget and Accounting Procedures Act
- 12 White House release announcing supplemental request for funds to aid local school agencies in federally affected areas
- 12 Letter accepting resignation of Stephen T. Early as Deputy Secretary of Defense
- 12 Letter accepting resignation of Louis Johnson as Secretary of Defense
- 13 Letter to Committee Chairmen transmitting bill to permit General Marshall to serve as Secretary of Defense
- 13 Remarks to the National Association of Postal Supervisors
- 13 Emergency board report on dispute involving the New York Railroad Co.
- 14 Statement by the President upon signing bill establishing a new Grand Teton National Park
- 14 Letter to Senator Thomas on the distribution of surplus perishables to welfare and relief agencies
- 14 Statement by the President on the Japanese peace treaty
- 14 Letter accepting resignation of Herbert A. Bergson as Assistant Attorney General
- 16 Letter accepting resignation of R. N. Denham as General Counsel of the National Labor Relations Board
- 18 Special message to the Congress transmitting a report of the National Security Resources Board
- 18 Letter accepting resignation of Hubert E. Howard as Chairman of the Munitions Board

September

- 20 Letter to Committee Chairmen on the Wherry amendment to the supplemental appropriations bill
- 21 Special message to the Congress transmitting a special joint report of the Federal Security Administrator and the Railroad Retirement Board
- 22 Veto of the internal security bill
- 23 Letter accepting resignation of Walter Thurston as Ambassador to Mexico
- 25 Letter accepting resignation of Paul G. Hoffman as Administrator of the Economic Cooperation Administration
- 26 Letter from a group of Lithuanian displaced persons expressing their thanks for haven in the United States
- 26 Letter accepting resignation of Lewis W. Douglas as Ambassador to the Court of St. James
- 27 Recorded address for broadcast on Democratic Women's Day
- 28 Memorandum of disapproval of bill relating to a claim of the Board of County Commissioners of Sedgwick County, Kans.
- 28 Memorandum of disapproval of bill for the relief of Dr. Jacob Ornstein (Congressional Record, vol. 96, p. 15790)
- 28 Memorandum of disapproval of bill for the relief of the United Transformer Co. (Congressional Record, vol. 96, p. 15792)
- 28 Memorandum of disapproval of bill to amend the Merchant Ship Sales Act of 1946
- 29 Memorandum on the need for protecting free enterprise during the defense emergency
- 29 Message congratulating General MacArthur on the liberation of Seoul
- 29 Letter to the Vice President on the need for repatriating displaced Greek children
- 29 Radio remarks opening the Community Chest Campaign
- 30 Memorandum of disapproval of bill for the relief of the La Fayette Brewery, Inc. (Congressional Record, vol. 96, p. 15793)
- 30 Memorandum of disapproval of bill for the relief of the Wyoming National Bank of Wilkes-Barre (Congressional Record, vol. 96, p. 15791)
- 30 Remarks upon awarding the Congressional Medal of Honor to Maj. Gen. William F. Dean

Appendix A

September

- 30 Message from General MacArthur in reply to the President's message of September 29
- 30 White House release concerning the settlement of the dispute between the railroads and the Railroad Yardmasters of America

October

- 4 Memorandum requesting information to be included in the State of the Union Message and the Economic Report
- 6 Message from the President of Korea expressing the gratitude of the Korean people for the liberation of Seoul
- 10 Statement by the President on his forthcoming meeting with General MacArthur
- 11 Letter concerning the establishment of an interagency committee to study the resources and development of New England and New York
- 11 Remarks in St. Louis at the installation of Mary Jane Truman as Worthy Grand Matron, Order of the Eastern Star for Missouri
- 13 Remarks in Pearl Harbor at the Commissioned Officers Mess
- 15 Statement by the President on his meeting with General MacArthur at Wake Island
- 17 Address in San Francisco at the War Memorial Opera House
- 24 Address in New York City before the United Nations General Assembly
- 25 Remarks to members of the National Guard Association
- 25 Report to the President from the Committee on Veterans' Medical Services
- 27 White House release regarding the unveiling of the statue of the late Field Marshal Sir John Dill of the British Army
- 28 White House release regarding the establishment by the Federal Interagency River Basin Committee of a New England-New York interagency committee
- 30 Letter to Gen. Geoffrey Keyes, retiring U.S. High Commissioner in Austria

November

- 1 White House release announcing the designation of William C. Foster as the President's special representative to Manila to discuss the report of the U.S. Economic Survey Mission to the Philippines
- 1 Remarks in Arlington Cemetery at the unveiling of the statue of Sir John Dill

November

- 2 Statement by the President on the death of George Bernard Shaw
- 2 Message to the Governor of Puerto Rico regarding the recent uprisings
- 2 White House release announcing the appointment of members to the National Science Board of the National Science Foundation
- 2 White House release announcing the appointment of E. Roland Harriman to succeed General Marshall as President of the American Red Cross
- 2 Emergency board report on dispute involving the Railway Express Agency, Inc.
- 3 Emergency board report on dispute involving the Pullman Co.
- 4 Address in Kiel Auditorium, St. Louis
- 6 Remarks in Independence at the Liberty Bell Luncheon
- 6 Address in Independence at the dedication of the Liberty Bell
- 9 Letter accepting resignation of Paul H. Griffith as Assistant Secretary of Defense
- 12 Statement by the President in response to the Gray report on Foreign Economic Policy
- 12 Report to the President by Gordon Gray on Foreign Economic Policy
- 13 Letter to the Chairman, Civil Service Commission, upon signing order establishing special personnel procedures in the interest of the national defense
- 14 Letter to Committee Chairmen on taxation of excess profits
- 14 Letter accepting resignation of Gordon Gray as Special Assistant to the President
- 14 White House release announcing the appointment of Dr. Henry Garland Bennett as Administrator of the Technical Cooperation Administration, Department of State
- 14 Statement by the President urging support of the CARE-for-Korea campaign
- 15 Letter accepting resignation of Herbert S. Bursley as Ambassador to Honduras
- 16 Statement by the President on the Christmas Seal campaign
- 16 Statement by the President on the Chinese intervention in Korea
- 17 Letter accepting resignation of Stanton Griffis as Ambassador to Argentina

Appendix A

November

- 17 Special message to the Congress transmitting ninth report of Economic Cooperation Administration
- 18 White House release announcing the appointment of Howard H. Tewksbury as Ambassador to Paraguay
- 21 Memorandum limiting the number of supergrade positions in defense agencies
- 24 Letter accepting resignation of Mark Ethridge as Chairman of the U.S. Advisory Commission on Information
- 24 Letter to the Chairman, Advisory Board on International Development, on foreign economic policy
- 24 Letter to Committee Chairmen on aid to Yugoslavia
- 25 Letter to Capus M. Waynick upon his retirement as Acting Administrator of the Point Four Program
- 27 Letter to the President of the Senate on statehood for Hawaii and Alaska
- 27 Letter to Committee Chairmen recommending extension of rent control
- 27 Summary of legislation before the short session of Congress
- 29 Special message to the Congress urging legislation authorizing further assistance to Yugoslavia
- 29 White House release announcing supplemental appropriation requests
- 29 Statement by the President on the Advisory Board on International Development
- 30 Statement by the President on the Chinese invasion in Korea
- 30 White House clarification of the President's comments on using the atom bomb at his press conference earlier in the day

December

- 1 Special message to the Congress requesting additional appropriations for defense
- 1 Statement by the President making public a report entitled "The Military Chaplaincy"
- 1 Report to the President by the President's Committee on Religion and Welfare in the Armed Forces, entitled "The Military Chaplaincy"
- 4 Letter to the President of the Senate and to the Speaker of the House on vocational rehabilitation of disabled veterans

December

- 4 Letter accepting resignation of Ugo Carusi as a member of and Chairman of the Displaced Persons Commission
- 4 White House statement following a meeting between the President and Prime Minister Attlee
- 5 Address before the Midcentury White House Conference on Children and Youth
- 5 Statement by the President on the death of Charles G. Ross
- 8 Joint statement following discussions with the Prime Minister of Great Britain
- 11 White House release announcing a meeting with the congressional leaders regarding the national emergency
- 13 White House statement concerning a meeting with the congressional leaders to discuss the national emergency
- 15 Message to the Congress transmitting the third annual report for the Philippine Alien Property Administration
- 15 White House release announcing a supplemental appropriation request
- 15 Radio and television report to the American people on the national emergency
- 17 Statement by the President on Secretary Acheson's attendance at the council meetings of the North Atlantic Treaty Powers
- 17 Statement by the President making public a report by the President's Water Resources Policy Commission
- 17 Summary of the report to the President by the President's Water Resources Policy Commission
- 18 Letter to the President of the Senate and to the Speaker of the House asking for additional emergency legislation
- 19 Message to the Secretary of State designating General Eisenhower as Supreme Allied Commander, Europe
- 19 Statement by the President in support of Secretary Acheson
- 19 Letter to General Eisenhower on his designation as Supreme Allied Commander in Europe
- 21 Letter accepting resignation of C. Girard Davidson as Assistant Secretary of the Interior
- 21 Statement by the President following a report by Secretary Acheson on his meeting with the ministers of the North Atlantic Treaty nations

Appendix A

December

- 21 Memorandum of agreement in the railroad labor dispute
- 22 Remarks in Kansas City at a dinner of the Knights of the Red Cross of Constantine
- 22 Special message to the Senate transmitting highway convention with the Republic of Panama
- 23 Remarks in Kansas City at a luncheon for the press
- 23 Remarks in Grandview, Mo., at a meeting of the Order of the Eastern Star
- 24 Remarks at the dedication services of the Grandview Baptist Church
- 24 Recorded message for broadcast on World Day of Prayer
- 24 Address recorded for broadcast on the occasion of the lighting of the National Community Christmas Tree on the White House grounds

December

- 29 Veto of bill for the relief of Elmer Beller (Congressional Record, vol. 96, p. 17078)
- 29 Veto of bill for the relief of Louis E. Gabel (Congressional Record, vol. 96, p. 17078)
- 29 Veto of bill for the reimbursement of the S. A. Healy Co. (Congressional Record, vol. 96, p. 17078)
- 29 Statement by the President upon signing bill amending the Clayton Act
- 29 Letter to the President of the Senate and to the Speaker of the House recommending the posthumous appointment of General Walker to the grade of General in the Army of the United States
- 30 Letter accepting resignation of Thomas C. Blaisdell, Jr., as Assistant Secretary of Commerce
- 30 Fifth annual report to the President by the Council of Economic Advisers

Appendix B—Presidential Documents Published in the Federal Register

PROCLAMATIONS

No.	Date 1950	Subject	15 F.R. page
2869	Jan. 24	Termination of Haitian trade agreement proclamation	477
2870	Feb. 1	National Children's Dental Health Day, 1950	615
2871	Feb. 10	Red Cross Month, 1950	789
2872	Feb. 17	"I Am An American Day," 1950	953
2873	Feb. 27	Armed Forces Day, 1950	1133
2874	Mar. 1	Supplementing Proclamations 2867 of December 22, 1949, and 2764 of January 1, 1948, relating to trade agreements	1217
2875	Mar. 6	Further postponing the effective date of Proclamation 2775 of March 26, 1948, prescribing changes in Panama Canal toll rates	1263
2876	Mar. 18	Seventeenth Decennial Census	1629
2877	Mar. 18	Pan American Day, 1950	1629
2878	Mar. 18	Cancer Control Month, 1950	1631
2879	Mar. 24	Determining the drug NU-2206 to be an opiate	1727
2880	Apr. 11	National Farm Safety Week, 1950	2097
2881	Apr. 12	National Capital Sesquicentennial	2137
2882	Apr. 19	Child Health Day, 1950	2263
2883	Apr. 19	Mother's Day, 1950	2263
2884	Apr. 27	Supplementing Proclamations 2867 of December 22, 1949, and 2764 of January 1, 1948, relating to trade agreements	2479
2885	May 4	Copyright—Israel.	2617
2886	May 6	National Maritime Day, 1950	2773
2887	May 6	World Trade Week, 1950	2773
2888	May 13	Supplementing Proclamations 2867 of December 22, 1949, 2769 of January 30, 1948, and 2764 of January 1, 1948, relating to trade agreements	3043
2889	May 22	Prayer for Peace, Memorial Day	3171
2890	May 24	United Nations Day, 1950	3247
2891	May 26	Copyright extension: United Kingdom of Great Britain and Northern Ireland (including certain British Territories) and Palestine; termination of Proclamation 2608 of March 10, 1944	3443
2892	May 26	Copyright extension: France; termination of Proclamation 2722 of March 27, 1947	3445
2893	May 26	Copyright extension: New Zealand; termination of Proclamation 2729 of April 24, 1947	3445
2894	May 27	Flag Day, 1950	3445

Appendix B

<i>No.</i>	<i>Date</i> 1950	<i>Subject</i>	<i>15 F.R.</i> <i>page</i>
2895	June 17	Terminating certain trade agreement proclamations and supplementing Proclamation 2888 of May 13, 1950	4041
2896	June 27	Independence Day, 1950	4159
2897	Aug. 9	National Employ the Physically Handicapped Week, 1950	5219
2898	Aug. 14	First United States International Trade Fair	5489
2899	Aug. 21	Fire Prevention Week, 1950	5653
2900	Aug. 28	Amendments of the regulations relating to migratory birds	5829
2901	Sept. 6	Termination of Mexican trade agreement proclamation and supplementing Proclamations 2769 of January 30, 1948, 2764 of January 1, 1948, and 2761A of December 16, 1947	6063
2902	Sept. 25	General Pulaski's Memorial Day, 1950	6569
2903	Sept. 26	Revocation of Proclamation 2775 of March 26, 1948, prescribing changes in Panama Canal toll rates	6569
2904	Oct. 3	Columbus Day, 1950	6777
2905	Oct. 4	Supplemental quota on imports of long-staple cotton	6801
2906	Oct. 6	Special registration	6845
2907	Oct. 12	Supplemental quota on imports of extra-long-staple cotton	6953
2908	Oct. 12	Terminating in part Proclamation 2761A of December 16, 1947, and certain proclamations supplemental thereto, and supplementing Proclamation 2764 of January 1, 1948, and Proclamation 2769 of January 30, 1948	6981
2909	Oct. 19	Thanksgiving Day, 1950	7117
2910	Oct. 27	Armistice Day, 1950	7313
2911	Oct. 31	Immigration quotas	7349
2912	Oct. 30	Terminating in part the proclamation of December 16, 1947, so as to give effect to the withdrawal of tariff concessions with respect to certain fur felt hats and hat bodies	7415
2913	Dec. 5	United Nations Human Rights Day, 1950	8709
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Eighth report	H. Doc. 645	Aug. 17	Aug. 17
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Civil Service Commission	H. Doc. 401	June 5	June 5
Panama Railroad Company	June 21	June 21
Office of Alien Property, Department of Justice	H. Doc. 458	June 22	June 22

Appendix D—Rules Governing This Publication

[Reprinted from the Federal Register, vol. 29, p. 11792, dated August 18, 1964]

TITLE I—GENERAL PROVISIONS

Chapter I—Administrative Committee of the Federal Register

PART 32—PUBLIC PAPERS OF THE PRESIDENTS OF THE UNITED STATES

PUBLICATION AND FORMAT

Sec.

- 32.1 Publication required.
- 32.2 Coverage of prior years.
- 32.3 Format, indexes, ancillaries.

SCOPE

- 32.10 Basic criteria.
- 32.11 Sources.

OFFICIAL DISTRIBUTION

- 32.15 The Congress.
- 32.16 The Supreme Court.
- 32.17 Executive agencies.
- 32.18 Governmental requisitions.
- 32.19 Extra copies.

PUBLIC SALE

- 32.22 Sale of annual volumes.

AUTHORITY: The provisions of this Part 32 issued under sec. 6, 49 Stat. 501, as amended; 44 U.S.C. 306. Sec. 6, E.O. 10530, 19 F.R. 2709; 3 CFR 1954-1958 Comp.

PUBLICATION AND FORMAT

§ 32.1 *Publication required.* There shall be published forthwith at the end of each calendar year, a special edition of the FEDERAL REGISTER designated "Public Papers of the Presidents of the United States." Ordinarily each volume shall cover one calendar year and shall be identified further by the name of the President and the period covered.

NOTE: This program started with the year 1957.

§ 32.2 *Coverage of prior years.* After conferring with the National Historical Publications Commission with respect to the need therefor, the Administrative Committee may from time to time authorize the publication of similar volumes covering specified calendar years prior to 1957.

NOTE: The committee has approved the publication of volumes starting with the year 1945.

§ 32.3 *Format, indexes, ancillaries.* Each annual volume, divided into books whenever appropriate, shall be separately published in the binding and style deemed by the Administrative Committee to be suitable to the dignity of the office of President of the United States. Each volume shall be appropriately indexed and shall contain appropriate ancillary information respecting significant Presidential documents not published in full text.

SCOPE

§ 32.10 *Basic criteria.* The basic text of the volumes shall consist of oral utterances by the President or of writings subscribed by him.

§ 32.11 *Sources.* (a) The basic text of the volumes shall be selected from: (1) Communications to the Congress, (2) public addresses, (3) transcripts of press conferences, (4) public letters, (5) messages to heads of state, (6) statements released on miscellaneous subjects, and (7) formal executive documents promulgated in accordance with law.

(b) In general, ancillary text, notes, and tables shall be derived from official sources.

OFFICIAL DISTRIBUTION

§ 32.15 *The Congress.* Each Member of the Congress, during his term of office, shall be entitled to one copy of each annual volume published during such term. Authorization for furnishing such

Appendix D

copies shall be submitted in writing to the Director and signed by the authorizing Member.

§ 32.16 *The Supreme Court.* The Supreme Court of the United States shall be entitled to 12 copies of the annual volumes.

§ 32.17 *Executive agencies.* The head of each department and the head of each independent agency in the executive branch of the Government shall be entitled to one copy of each annual volume upon application therefor in writing to the Director.

§ 32.18 *Governmental requisitions.* Legislative, judicial, and executive agencies of the Federal Government may obtain, at cost, copies of the annual volumes for official use upon the timely submission to the Government Printing Office of a printing and binding requisition (Standard Form 1).

§ 32.19 *Extra copies.* All requests for extra copies of the annual volumes must be addressed to the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402. Extra copies must be paid for by the agency or official requesting them.

PUBLIC SALE

§ 32.22 *Sale of annual volumes.* The annual volumes shall be placed on sale to the public by the

Superintendent of Documents, Government Printing Office, Washington, D.C., 20402, at prices determined by him under the general direction of the Administrative Committee.

* * * * *

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